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Japan

Japanese Expert: U.S. Military Has 8,900 Tons of Nerve Gas Sarin

OW2203120496 Tokyo KYODO in English
1127 GMT 22 Mar 96

[FBIS Transcribed Text] Washington, March 22 KYODO — The U.S. military possesses about 8,900 tons of the nerve gas sarin and about 4,400 tons of the equally deadly nerve gas VX [expansion unknown], a Japanese professor said Friday [22 March].

Keiichi Tsuneishi, professor at Kanagawa University, citing reports published by the U.S. Defense Department in January, said the sarin and VX gas are part of about 31,000 tons of chemical weapons held by the U.S. military.

The chemical weapons are stored at eight depositories in the U.S. mainland and one in the U.S. territory of Johnston Atoll in the South Pacific, Tsuneishi said, quoting the reports.

The United States plans to scrap the chemical weapons by 2004 under an international treaty banning the development of chemical weapons and restricting the manufacture and use of toxic chemicals.

Sarin and VX gas were used in a series of crimes in Japan, including the March 1995 attack on the Tokyo subway system, for which members of the Aum Shinrikyo religious cult are currently standing trial.

Japanese Official: Progress Unlikely on Futenma Issue by Apr

OW2203032896 Tokyo KYODO in English
0255 GMT 22 Mar 96

[FBIS Transcribed Text] Washington, March 21 KYODO — The United States and Japan are unlikely to make any progress on the priority issue of removing the U.S. base in Futenma, Okinawa Prefecture, by the time of a bilateral summit in mid-April, a Japanese official said Thursday [21 March].

"It's probably difficult to even show a direction" on the negotiations of the Marine's Futenma airfield prior to President Bill Clinton's visit to Japan in mid-April, the official told reporters after the fifth working-level session of the U.S.-Japan Joint Action Committee on Okinawa.

U.S. officials were not available to comment.

But the two sides "have not given up the issue," the Japanese official said, noting that they agreed to meet again in early April.

The official indicated that the discussions are focused on finding ways to satisfy the interests of both nations, such as a partial relocation of the Futenma facilities.

"It's just that we need more time...to discuss what we can do between the yardstick of complete return and no return," the official said.

He also noted that the two nations have not completely abandoned the possibility of a complete return.

The official said the two sides acknowledge that the people of Okinawa place the Futenma base as the top priority for assessing what the U.S. and Japanese Governments can do to address the concerns of the people of Japan's southernmost island prefecture.

The joint panel was established last November to find solutions within a year for consolidating and reducing the U.S. military presence in Okinawa in the wake of growing public outcry following the rape of a local primary schoolgirl. Three U.S. servicemen were recently sentenced to jail terms of six and a half to seven years in the case.

The Japanese official said the two sides reaffirmed the need to accelerate the committee's process to show a direction to the talks by Clinton's visit.

"Discussions are getting close to conclusion...With high and low possibilities becoming clear for solving issues on the table," the official said.

He said the two sides reaffirmed their earlier agreement to resolve the issues of noise from U.S. aircraft and license plate identification for U.S. military vehicles by the end of this month.

Japan: Effect of U.S. Defense Ties to Taiwan Viewed

OW2203050996 Tokyo SAPIO in Japanese
27 Mar 96 pp 20-22

[Article by former diplomat Hisahiko Okazaki: "This Year the United States Dropped Its 'Noncommittal Diplomatic Stand on the PRC and Taiwan'; Its Stand Is Now That of 'Having No Choice But To Defend Taiwan if an Emergency Arises'; Neither the PRC Nor Japan Has Taken Notice of this 'U.S. Change' in Position"; first paragraph is SAPIO's introduction]

[FBIS Translated Text] Suppose the PRC launches an invasion on Taiwan. Will the U.S. Armed Forces then move in to intervene? In February, a clear answer was given to this most important question through the crisis in the Taiwan Strait. Public opinion in the United States now says: "We have no choice but to defend Taiwan if an emergency arises. This is not a question of treaty or law. This is only a natural thing for the United States as a nation to do." And if this happens, it will mean U.S. military aircraft operating from Okinawan bases. Has Japan taken notice of this "change in the U.S." position?

What Effect Does the PRC's "Intimidation" Have?

Taiwan's presidential election, set for 23 March, will be conducted by direct public vote — a landmark event of "directly choosing the top national leader by the will of the people" for the first time in the 4000-year history of China. This direct open election also has a tremendous meaning from the perspective of the past half century of history of the Nationalist Party [Kuomintang — KMT] government since Chiang Kai-shek moved it to Taiwan. The KMT shook hands with the Communist Party of China [CPC] twice while both of them were on the continent proper. And this election means the so-called "KMT-CPC cooperation" is buried into history as something that happened far in the past.

So far, Taiwan has been a nation of the KMT, leadership over which was handed over from Chiang Kai-shek to Chiang Chin-kuo. And then from Chiang Chin-kuo to Li Teng-hui. If the nation had wanted to decide for another round of "KMT-CPC cooperation," that would have been possible, at least theoretically. But beginning with this presidential election, the top leader of Taiwan is elected by the public will. In other words, the future of Taiwan will be decided by the public will. Consequently, with this election, the possibility of another round of "KMT-CPC cooperation" will be gone for good.

In the backgroudn is the fact that the middle class people of Taiwan have gained political power as a consequence of the steady economic development of the nation, which meant the groundwork for democratization was laid. Now the people can be said to be taking a final step toward democratization by participating in this direct open election.

Regarding this election, we need to discuss what we should be most concerned about. Some say we should watch what support rate Li Teng-hui will garner. There is no doubt that he will gain the largest number of votes, but the question is if he will be able to take a majority or if he will fail to get even 40 percent, they say. And some people say the question is how many votes will go to opposition candidates who are said to favor a policy of eventually reunifying with the PRC. According to them, the number of votes won by these candidates can be a prediction of the political power Li Teng-hui can muster in the future.

Actually, however, those kinds of things are not important at all. In an election, what matters is who wins. The voting paticipation rate and the number of votes won are almost meaningless. Suppose someone won by a small margin. It would not mean a government led by him will not do well. There are many examples of presidents and prime ministers who were elected by paper-thin margins but held on to power for a long time. The support rate has nothing to do with the political power that comes from the election.

When we review the situation in the Taiwan Strait, the important question that arises is what the PRC is thinking and what does it want to do. Since last summer, the PRC Government has continually done everything it can to slander and malign Li Teng-hui. The words of expression used by it remind us of the old days when the PRC used to condemn Chiang Kai-shek, saying "We do not take Chiang seriously."

Even such a newspaper as RENMIN RIBAO is continuing to make statements which can be a warning as well as intimidation, such as: "Li Teng-hui is seeking to split the fatherland, while pretending to seek democratization. Taiwan's independence will drive it into a deep well of calamities."

The PRC is not stopping there. It is conducting exercises by firing missiles into sea areas around Taiwan, and large-scale mock landing operations on the coastal area of Fujian Province right across from Taiwan. What effect will such acts of intimidation have on Taiwan? If there is any effect at all, it will probably be something like bringing support for Li Teng-hui down to below the 40 percent level. And as noted above, such a number almost has no meaning at all.

Jiang Zemin Should Be Longing To Meet Li Teng-hui

Why then is the PRC carrying on with its intimidating acts which are meaningless and childish? One of the intentions is to warn Li Teng-hui not to do something like declaring the independence of Taiwan after the election. But Li Teng-hui has no desire to declare the independence of Taiwan to begin with. To be short, China has acted less than wisely. It has completely misread the situation. How has that happened?

On 20 January last year, President Jiang Zemin made an eight-point proposal to Taiwan. Judging by the contents of the proposal, Jiang Zemin apparently wanted to find some kind of compromise with Taiwan at that point.

To be sure, in the beginning part of the proposal, Jiang mentioned the old principle of "one China" and declared "Chinese do not fight Chinese," but still hinted at the possibility of using force in the latter part, saying, "The reason we do not promise to forsake the use of force is so we can deal with foreign power's schemes to impede China's process of reunification by giving independence to Taiwan, and it certainly is not to be able to use it on the brethren in Taiwan." On the other hand, the proposal stated, "we will welcome a visit to the continent by the leaders of the Taiwan authorities in appropriate capacity" and "we will expand economic exchanges and cooperation between the two coasts of the strait." The proposal also declared that the PRC leaders are willing to visit Taiwan and "to exchange views" with Taiwan leaders if invited by Taiwan.

In the proposal, the PRC used a very interesting expression "two coasts of the strait" [to describe the PRC and Taiwan]. Up until then, the PRC had used the expression "two parties, the KMT and the CPC" in such a case. It is important to note that the PRC stopped using that old expression.

In response to this proposal, Li Teng-hui presented a six-point peace proposal of his own on 8 April. This proposal, too, in its beginning declared, "We will look squarely at the reality of government being divided between the PRC and Taiwan, and will proceed toward reunification." But, accepting Jiang Zemin's proposal, it also talked about promoting exchanges in economy and culture. There was nothing new in it, but to recall that in the past no response had been given at all to such proposal from either side, Li's response could be interpreted as an indication that finally an atmosphere for dialogue was brewing.

But in June, or two months later, Li Teng-hui succeeded in making a visit to the United States.

That can be said to be the upshot of a blunder committed by Secretary of State Warren Christopher. Only shortly before Li left on his visit, Christopher had declared Li Teng-hui would "not be issued a visa." Naturally, the Chinese leadership had thought Li's visit to the United States would be impossible. But the two U.S. houses, the Senate and the House of Representatives, approved by an overwhelming majority a resolution to grant him the visa.

This completely shamed Jiang Zemin, and ended up helping to strengthen the voice of the enraged PRC military leadership.

The subtle relationship between Jiang Zemin and Premier Li Peng played a part in it as well. An angry Li Peng got together with the military and announced a tough policy position. Then, Jiang Zemin had to take an equally tough policy position to keep his power in line. In other words, there is now a pattern of the military talking tough first, and Jiang doing the same as a followup. With the military running ahead as they are, the government is stuck with its witless diplomacy. As a result, the government has continued to misread the situation and to make meaningless intimidation.

Actually, Jiang Zemin is dying to meet with Li Teng-hui. One of the hopes Jiang had on his eight-item proposal in January last year was to get Li to a summit meeting with him before the presidential election. But that hope was dashed by the visit of Li Teng-hui to the United States.

As far as Li Teng-hui is concerned, even though he keeps on saying officially he is willing to hold the talks with Jiang at any time, he actually wants to hold the talks after the presidential election. He wants to come to the talks after winning in an open election and with public support behind him. That is why he wants to hold the talks after the election.

If we coolly analyze the given situation, it is difficult to think an armed clash will break out across the Taiwan Strait. But one point we must take note of is the fact that with the tension in the Taiwan Strait rising, U.S. public opinion has changed drastically this year.

The United States and Taiwan broke diplomatic relations in 1979 following the former's establishment of relations with the PRC, but the U.S. Government shortly thereafter decided to maintain de facto diplomatic relations with Taiwan and to supply arms to it by enacting a domestic law called the "Taiwan Relations Act." The law suggests containing the PRC from using force on Taiwan, with a clause saying: "Taiwan shall retain capabilities to resist the use on it of armed force or other forms of force that can jeopardize the security of the Taiwanese people or their social and economic systems."

On the other hand, however, the United States and the PRC have exchanged a number of agreements in which the former promised to respect the concept of "one China." The Most important of them are the three joint communiques issued by the two countries. In the first one adopted by Richard Nixon and Chou Enlai in Shanghai in 1979, the United States stated it "recognizes" that "China is one." The second one issued in 1979 related to the establishment of diplomatic relations, and went one step further, with the United States saying "We agree with the PRC's position that Taiwan is part of China." In the last one issued in 1982, the United States promised to stop supplying arms to Taiwan, and the United States declared it will not regard China as "two Chinas" or "one China and one Taiwan."

To make a long story short, the United States, in dealing with PRC-Taiwan issues, has swung back and forth between what is stated in the three communiques and what is provided in the Taiwan Relations Act. In other words, the United States has left it ambiguous regarding what the country will do once the PRC launches an armed attack on Taiwan.

Even when the White House and Congress bickered last summer over whether to accept Li Teng-hui's U.S. visit, the U.S. hawkish group's hardline view did not go beyond that of suggesting this "strategic ambiguity" should be retained. That view did not change much even when the PRC dared to conduct missile firing exercises.

Last December, Joseph Nye, then U.S. assistant secretary of defense, who had consistently emphasized the importance of maintaining the Japan-U.S. security system in Asia, gave a speech at the Asian Association before resigning from his post and leaving the Pentagon. In his speech, he warned that even if the "strategic ambiguity" is retained in theory, "No one can tell about the future. If the PRC intensifies tension in the Taiwan Strait, that can cause a danger of unimaginable magnitude."

"It Is Only Natural for the United States To Defend Taiwan"

Coming into this year, however, that "ambiguity" has completely disappeared. For instance, in an editorial THE WASHINGTON POST said: "If an emergency arises, there is no choice but to defend Taiwan. This is not question of treaty or law. This is only naturally expected of this nation." U.S. public opinion has completely changed. And in February, Assistant Secretary of State Winston Lord testified before Congress:

"The 1982 communique stands on the premise that the PRC would make efforts toward the peaceful reunification of China. If the PRC continues making threats to use force, then the United States should take actions based on the Taiwan Relations Act."

The PRC had failed to foresee this change in the U.S. public opinion, and is still carrying out its hardline policy. The PRC has committed a complete miscalculation.

A country which is less aware than the PRC of this change in the United States is Japan. Japan has not taken notice of the importance of the aforementioned testimony of Assistant Secretary of State Lord before Congress.

If an armed clash breaks out over the Taiwan Strait, the U.S. Armed Forces will carry out sorties from Okinawa. If that happens, what will Japan do? But now when that question is being asked, the Japanese Diet is busy debating the issue of revising the Japan-U.S. security pact with respect to the U.S. military bases on Okinawa. Now let's take a look at this issue of the military bases. Assistant Secretary of Defense Joseph Nye in February last year issued his "East Asia Strategy Report" noting the need to maintain a strength 100,000 men in East Asia. Subsequently, Japan and the United States talked with each other for almost a year regarding this need, and the two countries were coming into agreement on this number. But then came the incident of U.S. soldiers raping a child on Okinawa. Thereupon, the position of the Japanese Government, then led by Tomiichi Murayama, changed overnight, and started to say the U.S. military bases on Okinawa must not be made permanent. The question of moving the bases on Okinawa to other areas in Japan should have been a domestic issue for Japan from the beginning. But the Japanese Government, forgetting about that, blamed the United States and started to cry out for reduction of the military bases. I wonder if the United States can comprehend the things which are happening in this country.

President Bill Clinton is due to visit Japan in April. But Prime Minister Ryutaro Hashimoto, who took over the premiership from Murayama, is bound by the three coalition parties' agreement on the realignment, integration, and reduction of the U.S. military bases on Okinawa. I think a general election should be conducted promptly and without further delay so that a new government, not bound by the three parties' agreement, can be put in charge of diplomatic negotiations with the United States.

Japan: Ikeda Expected To Reiterate Call for PRC 'Self-Restraint'

OW2203093696 Tokyo KYODO in English
0857 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — China's Foreign Minister Qian Qichen will visit Japan for four days from March 31, the Foreign Ministry announced Friday [22 March].

Qian, who has held his current post since 1988, will meet Japanese Foreign Minister Yukihiko Ikeda on the day of his arrival to discuss issues of mutual concern, the ministry said.

During his meeting with Qian, Ikeda is expected to reiterate Japan's call for China to show self-restraint in its policy toward Taiwan and seek a peaceful resolution of the current tension across the Taiwan Strait.

Qian will be the highest Chinese official to visit Japan since the inauguration of Prime Minister Ryutaro Hashimoto's cabinet in mid-January.

He last visited Japan in November last year to attend an annual meeting of the Asia-Pacific Economic Cooperation forum in Osaka.

Qian will also confer with other key Japanese officials and meet the press before leaving Japan on April 3, the ministry said.

Japan: SDP Opposes Coalition Freeze on Official Loans to PRC

OW2203085996 Tokyo KYODO in English 0816 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — The Social Democratic Party (SDP) agreed Friday [22 March] that the ruling coalition, to which it belongs, should take a cautious stance on freezing Japan's official loans to China in protest against Beijing's military maneuvers off Taiwan.

The SDP reached the decision at a meeting of its security policy panel, which was held to discuss a request by its coalition partner New Party Sakigake [Harbinger] for low-interest yen credits to be frozen, SDP officials said.

Sakigake has also proposed to the mainstay of the coalition, the Liberal Democratic Party (LDP), that the government postpone talks with Beijing over details of projects to be financed by yen loans as an expression of protest against China's military drills.

LDP Secretary General Koichi Kato has suggested that the ruling parties will have to consider the possibility of freezing the grant aid — small amounts of grants not tied to major projects — in protest against China's nuclear tests.

Beijing has been holding a series of war games off Taiwan, apparently in an attempt to influence Saturday's presidential election on the island, which it regards as a rebel province.

Japan: Minister Says No Early Fishery Talks With PRC, ROK

OW2203060496 Tokyo KYODO in English 0337 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO - Farm Minister Ichizo Ohara said Friday [22 March] Japan would not hold fishery talks with China and South Korea before the April 11 general election in South Korea.

Agriculture, Forestry and Fisheries Minister Ohara told a news conference that Japan has already agreed with South Korea to shelve a territorial dispute, and negotiations before the general election will aggravate the situation over the issue.

Japan has decided to ratify the UN Treaty on the Law of Seas [as received] and to establish an exclusive 200 nautical mile economic zone and plans to submit legislation on the matter to the Diet next week for approval, government officials said.

Japan's establishment of the economic zone will necessitate new fishery arrangements with China and South Korea, they said.

Japan: Brazilian President Interviewed on UN, Trade

OW2203042196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Mar 96 p 9

[Interview with Brazilian President Fernando Henrique Cardoso, by Kiyoshi Otani, NIHON KEIZAI SHIMBUN international news editor, on 14 March; place not given; first paragraph is NIKKEI introduction]

[FBIS Translated Text] Visiting Brazilian President Henrique Cardoso, in an interview with NIHON KEIZAI SHIMBUN on 14 March, referred to the issue of reforming the UN Security Council [UNSC] and expressed his country's hope to become a permanent member as a representative of the Latin American countries. He said: "Brazil wants to be a permanent UNSC member if it serves the interests of other countries." He spoke negatively of the United States' stepped-up sanctions on Cuba. Asked about the role of political leaders in general, he emphasized the "importance of holding dialogue with the people."

Gaining Popular Support by Explaining Given Realities

[Otani] Japan is now in a state of political confusion. Drawing from your own experience of coming into the political world from the academic world as a sociologist, what would you say are the most essential qualifications for political leaders?

[Cordoso] What they must endeavor to do is find out what the people think and feel. Democracy is supported not by a system, but by the democratic culture of the people.

If leaders earnestly explain any given situation, the people will come to support them. Policy issues that are not understood by parliament or trade unions can be made acceptable through continued discussions. In the United States, the leaders appear to be engaged in "Socratic" arguments (continuing arguments for the sake of argument) with offensive news media. That the news media are highly developed should not be a reason for the leaders to manipulate information to their advantage. Strong political leaders seem to think they can manipulate the mass media, but [sentence unfinished].

[Otani] You are not a strong leader in that sense, right?

[Cordoso] You are right. Politics is synonymous with the ability to persuade and convince the people. In 1994 when I was finance minister and had to tackle the inflation problem, I tried to explain to the people the realities they faced, rather than using cheap tricks. I spoke on television countless times and explained why I objected to raising wages. The reason I have 70-percent support is that I do things that way.

Need To Have Veto Power

[Otani] What is your position on reform of the UNSC?

[Cordoso] Reform of the UNSC is being talked about now because 50 years have passed since that framework was first formed, and it no longer has any legitimacy. Japan, Germany, Brazil, and India have grown into new powers. The UNSC needs to regain legitimacy by expanding its membership; and in order to expand the council without losing its ability to cope with realities, the newly added permanent members should be given veto power as well.

Brazil does not think becoming a permanent member of the UNSC is everything. We want to play important roles in the World Bank and the International Monetary Fund (IMF), too. There is no need to become a permanent UNSC member if it only means getting embroiled in power games.

Negotiations With Other Economic Blocs

[Otani] How do you view the incident of Cuba's shooting down small U.S. civilian aircraft and the developments in U.S.-Cuba relations following the incident?

[Cordoso] The shooting down of the planes was an unfortunate incident. I hope a probe will be conducted from a third-party perspective, but I cannot agree to continuing or strengthening the economic blockade of Cuba. I think that will only drive the people of Cuba further into difficulty and will nip in the bud the people's awakening to democratic thinking. I can understand the U.S. position, but I wish it could act a little more calmly.

[Otani] What is Brazil's position on such regional economic blocs as the North American Free Trade Agreement [NAFTA]?

[Cordoso] Brazil is a member of the Mercado Comundel Sur [MerCoSur], and trade and investments within the region are growing steadily; but MerCoSur does not intend to remain a free trade bloc limited to the region. We concluded an agreement on expanding relations with the European Union last December. We are considering having talks with other economic blocs like NAFTA.

[Otani] How will Brazil's policy on Asia progress in the future?

[Cordoso] Our relationship with Japan, with which we have had close ties for so long — taking in immigrants from there, for instance — will be the central point in our policy on Asia. We have no intention of joining the Asian and Pacific Economic Cooperation forum [APEC], but MerCoSur should be attractive to the APEC member nations as an market — with the four member countries' total GNP amounting to $800 billion per annum.

Japan: SDP Wants Law To Allow SDF Help in East Asian Crises

OW2203075596 Tokyo KYODO in English 0651 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — The Social Democratic Party (SDP) wants to discuss with its main partner in the ruling coalition, the Liberal Democratic Party (LDP), a new legislation allowing Japan's Self-Defense Forces (SDF) to help deal with emergencies in east Asia, SDP leader Tomiichi Murayama said Friday [22 March].

"Discussions on emergency legislation will become necessary, and the SDP hopes to take part," the former prime minister said in a Tokyo lecture sponsored by KYODO News.

Shortly after he took the premier's post in June 1994, Murayama reversed a decades-long SDP stance and acknowledged the legitimacy of the SDF, citing public support for the Japanese armed forces.

The SDP is now able to discuss such issues on the same basis as the LDP, Murayama said.

On March 14, the LDP proposed drafting legislation so that Japan can better help refugees and rescue Japanese nationals during disasters or emergencies in east Asia.

Turning to other issues, Murayama said Prime Minister Ryutaro Hashimoto, president of the LDP, should not dissolve the House of Representatives for a snap general election.

He referred to the 18-day-long blockade of a lower house budget panel room by members of the main opposition party, Shinshinto (New Frontier Party), which has prevented deliberations and voting on the national budget for fiscal 1996.

Shinshinto is demanding the removal from the 75 trillion yen budget of a plan to use 685 billion yen in taxpayers' money to liquidate seven failed housing loan companies, known as "jusen."

Murayama reiterated that the budget should be passed speedily, keeping the jusen outlay intact.

Shinshinto's prevention of budget panel sessions has forced the government to decide to compile a 50-day stopgap budget for the new fiscal year beginning April 1.

The SDP chief also repeated his view that he would welcome any possible move toward an alliance between conservative members of the LDP and Shinshinto, saying it would help clarify Japan's political landscape by creating a new conservative party having policies clearly different from those of the SDP and other liberal forces.

Japan: Former JSC Chairman Criticizes Defense Outline

962B0028A Tokyo SANKEI SHIMBUN in Japanese 23 Dec 95 p 3

[Interview with Hiroomi Kurisu, former chairman of the Joint Staff Council, by Akihiko Ushiba: "The New National Defense Program Outline Lacks Determination"]

[FBIS Translated Text] When the 1976 National Defense Program Outline — reputed as representing a "we are cleared of threat" doctrine — was enacted, criticism burst forth from uniformed self-defense officials. However, the reaction to the new outline which calls for the "departure from independent defense" is strangely calm. It is hard to expect honest views from incumbent self-defense officials who are under the "control of speech," and so former Joint Staff Council [JSC] Chairman (Hiroomi) Kurisu has been picked to give his candid opinion. (Questioner: Akihiko Ushiba)

[Ushiba] What is your impression of the new outline?

[Kurisu] I feel that it is simply a sluggish enumeration of slogans. Terms therein such as the peace constitution, exclusively defensive defense, civilian control, and three nonnuclear principles all look like a political party's propaganda jargons.

[Ushiba] It no longer carries the passage "a limited small-scale aggression will be coped with independently." What do you think?

[Kurisu] The Defense Agency director general has reportedly said that "emphasizing independent coping is improper from the perspective of creating a security environment," but I wonder why it amounts to irritating surrounding countries to declare that we will defend our country for ourselves. The outline entirely lacks the determination to defend our own country.

[Ushiba] What effect will this have on the Self-Defense Forces [SDF] as a result?

[Kurisu] We must not forget that what matters most in defense is not material but human beings. The morale of the SDF will unfailingly rise when the notion that we should defend our country for ourselves is established. It is a problem that the outline totally lacks consideration in this regard.

[Ushiba] Instead, the importance of the Japan-U.S. security arrangements is being emphasized, is it not?

[Kurisu] First, behind this emphasis is the major premise that defense power will be cut back. Such a cutback will result in insufficient defense. This appears to be the reason why the move is being made to depend on the United States. However, this idea is preposterous. What is more, the outline says that "the security arrangements will become the basis for securing the U.S. presence needed for peace and stability of this region." This represents an idea that Japan needs not do anything more than furnishing bases and bearing the cost. But this may contrarily impair the reliability of the security arrangements in the future.

[Ushiba] What should essentially be written in the outline?

[Kurisu] What premise is Japan assuming in case she is expected to face a danger in the future? What organization and scale should the SDF have on the basis of the premise? These are the points to be made. And the outline should also describe what our side ought to do actively in order to maintain peace in our neighboring countries, should it not? The outline totally fails to mention determination in these respects.

[Ushiba] How about the annexed list?

[Kurisu] The previous annexed list was carrying a note that the list was "premised on a system of equipment actually on hand plus scheduled to be on hand." Therefore, strictly speaking, the list indicated on-hand values. However, the new list omitted this note, consequently making numerical figures therein represent target values. If such is the case, there should be clear explanations as to why such and such target values come out of the primary text. Otherwise, the list becomes logically inconsistent.

[Ushiba] How about the reductions indicated in the list?

[Kurisu] The SDF should not make complaints about the scale. This is an area for which politics should bear total responsibility. We [the SDF members] only have to do our best with things given to us. Yet it is necessary to clearly mention beforehand how much the capabilities are with the current size and what situation will come in case the size is cut. What has been done in this regard?...though I do not know if anything has been done at all.

[Ushiba] What are the threats our country face toward the 21st century?

[Kurisu] In view of the current development, being attacked by surprise is unthinkable as a whole. I think that threats with missile attacks and with the seizure of sea-lanes are higher possibilities. We would be acting too late unless we take measures right now against these two threats. We should take these two measures before everything else, should we not? Nevertheless, the mid-term defense buildup plan appears to have shelved the missile defense program for the present.

[Ushiba] In such a case, there will arise an argument for reducing ground fighting power, will there not?

[Kurisu] I think that some extent of cutback is unavoidable. I am originally from the ground force, but two or three years ago I proposed to the then- Defense Agency director general that the sea defense should be stepped up even if it might require a cutback on the ground force. It is imperative for us to have small carriers in view of our sea-lane defense.

[Ushiba] Will a cutback on the ground force not hamper the PKO [Peace Keeping Operations], measures against natural calamities, and newly increased tasks in antiterrorist activities?

[Kurisu] Machines and techniques cannot substitute for humans in performing those missions. Therefore, at least it should be noted that those missions require a considerable number of humans. What I am saying is that ingenuity should be exercised in the field of the outfit and equipment.

Japan: Minister Urges Major Review of Foreign Exchange System

OW2203130096 Tokyo KYODO in English
1117 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — Trade minister Shumpei Tsukahara called for a sweeping review Friday [22 March] of Japan's foreign exchange control system so Japanese companies can engage in international financial trading as freely as their U.S. and European rivals.

Japanese companies could suffer serious negative effects on their international competitiveness and be forced to move their financial functions offshore if the government keeps strict regulation in place, Tsukahara said in a written comment.

The remark followed an interim report filed the same day by a government advisory panel which called for overhauling the control system to improve the openness of foreign exchange services in the country and revitalize domestic financial markets.

The framework of Japan's foreign exchange system was somewhat liberalized in 1980, when the Foreign Exchange and Foreign Trade Law was revised. But rigid regulations still exist, he said.

Foreign exchange services, for instance, are being offered exclusively by leading commercial banks authorized by the Finance Ministry, while capital transactions and settlement are subject to a broad array of government approval and registration requirements.

Tsukahara urged the panel to further discuss issues such as measures to ensure sound foreign exchange services when the range of service providers is expanded, and problems expected to arise when foreign exchange approvals are replaced with simpler reports.

Japan: Panel Urges Overhaul of Foreign Exchange System

OW2203092496 Tokyo KYODO in English
0831 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — A government panel Friday [22 March] called for overhauling Japan's foreign exchange control system in a bid to make foreign exchange services more open and revitalize domestic financial markets.

In an interim report on measures to deregulate foreign exchange services, a subcommittee of the council on foreign exchange and other transactions said it is necessary to make Japan's foreign exchange control system more open so it can match systems adopted in the United States and European nations.

At a press conference, subcommittee head Tomomitsu Oba, president of the Japan Center for International Finance, said, "the subcommittee wants to ask for a revision of the foreign exchange and foreign trade control law in its final report to be mapped out in June."

Eisuke Sakakibara, director general of the International Finance Bureau of the Finance Ministry, who accompanied Oba at the news conference, said, "the ministry will start work as early as possible if the panel recommends the law's revision in its June report."

The Foreign Exchange Control Law was last revised in 1980. Japan, however, still has many restrictions on foreign exchange services, compared with the U.S. and European nations which implemented drastic liberalization in the 1980s.

Sakakibara said remaining restrictions make foreign exchange- related transactions costly in Japan, sparking concern that an increasing number of companies may shy away from Japanese financial markets and seek cheaper trading places abroad.

The subcommittee said it is necessary to expand the range of providers of foreign exchange services, while taking steps to maintain the soundness of those providers.

Under the law, foreign exchange services are now permitted only at major commercial banks authorized by the ministry.

It is expected that allowing other companies to engage in exchange services would increase competition in the sector, leading to lower commission rates.

In liberalizing such services, it is necessary to establish a system that requires providers of the exchange services to report to the ministry about their business situation, the subcommittee said.

The panel also said it will discuss how to maintain restrictive measures against emergencies, such as U.N.-led economic sanctions and erratic movements on financial markets.

The ministry has already adopted deregulation measures that do not require revision of the existing foreign exchange control law.

These measures include allowing securities companies to engage in foreign currency swaps and options transactions on behalf of investors who purchase foreign securities.

Japan: MOF Plans New Obligations for Securities Firms

OW2103171396 Tokyo KYODO in English 1525 GMT 21 Mar 96

[FBIS Transcribed Text] Tokyo, March 21 KYODO — - The Finance Ministry said Thursday [21 March] it will obligate designated securities companies to report foreign exchange contract and derivatives positions, both monthly and at the request of the ministry, possibly at ad hoc intervals.

Such obligations will be imposed in exchange for the ministry's authorizing the brokerages to engage in a range of foreign exchange transactions — including currency swaps and options — related to their securities transactions, it said.

The brokerages will be also required to keep the records on the designated foreign currency deposit accounts and to daily observe the limits of foreign exchange positions of such accounts at the end of each business day, it said, adding that the ministry will set the limit for such accounts at each securities company.

The new requirements are designed to make sure that a brokerage house will not establish excessively large sell or buy positions on such foreign exchange transactions, ministry officials said.

If the brokerage houses are allowed to establish excessively large positions, they may rack up huge foreign exchange losses when the value of a currency at which such positions had been established swings wildly, they said.

The ministry plans to allow securities companies to engage in currency swap transactions with resident investors who would invest in foreign securities, in order to help them hedge against foreign exchange fluctuations, they said.

The officials cautioned that various securities companies are now using different accounting formulas for such foreign exchange positions, such as appraising the value of positions that were prevalent when obligations to pay or credits emerge, or appraising them at market values.

The Japan Securities Dealers Association is now studying a proposal to unify these accounting formulas, with an eye to adopting the method of appraising positions at market values, informed sources said.

As soon as the association comes up with a conclusion on this matter, the ministry will implement the deregulatory steps and new reporting obligations, the ministry officials said.

Japan: MOF Approves Mitsubishi, Tokyo Bank Merger

OW2203084596 Tokyo KYODO in English 0735 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — The Ministry of Finance [MOF] has formally approved a planned merger between Mitsubishi Bank and the Bank of Tokyo, completing necessary procedures for the amalgamation to take effect April 1, ministry officials said Friday [22 March].

The certificates of approval signed by Finance Minister Wataru Kubo were handed to Tsuneo Wakai, president of Mitsubishi Bank, and Tasuku Takagaki, president of the Bank of Tokyo, the same day, the officials said.

The merger will create a bank with the largest deposits in the world.

Japan: Panel Urges End to Export, Import Cartels by FY98

OW2203092396 Tokyo KYODO in English 0837 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO —- An advisory panel to the Minister of International Trade and Industry called Friday for repealing antitrust exemptions for cartels authorized under the export and import transaction law by the end of fiscal [FY] 1998, in March 1999, officials said.

The cartels in question are designed to control the volume and prices of imports as well as goods procured domestically by exporting companies. They have been exempted from the Antimonopoly Law to help prevent excessive competition and the outflow of foreign currencies.

In a report filed to International Trade and Industry Minister Shumpei Tsukahara, the Export and Import Transaction Council said such cartels should be abolished because they run counter to consumer interests, according to the officials.

But the panel said export cartels used for textiles, pearls and other products may continue because they do not restrict competition in the domestic market.

The Ministry of International Trade and Industry plans to reflect the panel's policy in the government's revised deregulation package due out at the end of March, the officials said.

The government's original deregulation scheme released a year ago had said that cartels enjoying antitrust immunity should be reviewed by the end of fiscal 1998 from the standpoint of abolishing them altogether.

Japan: Kubo Expects Stopgap Budget To Top 11 Trillion Yen

OW2203041196 Tokyo KYODO in English 0320 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — A 50-day provisional budget for fiscal 1996 now under consideration is expected to top 11 trillion yen, Finance Minister Wataru Kubo said Friday [22 March].

"The size of the stopgap budget will slightly surpass that of the fiscal 1994 provisional budget," Kubo said at a press conference.

The fiscal 1994 stopgap budget was also for 50 days and contained spending totaling about 11 trillion yen.

Kubo said the ministry would give full consideration to Japan's budding economic recovery in compiling the stopgap budget for fiscal 1996, which starts on April 1. The ministry was forced to work out the stopgap spending measures for the fiscal year due to a delay in Diet approval of the full budget for that year.

Diet debate on the full budget is stalled due to the confrontation between the ruling and opposition parties over a controversial provision to use 685 billion yen for the liquidation of seven moribund mortgage companies.

Kubo admitted the sluggish land market might make the amount of losses that could emerge in the process of recovering loans left by the mortgage companies to be larger than expected.

"The continued fall in land prices will make for a difficult recovery of loans," Kubo said.

He was commenting on a report released Thursday by the National Land Agency.

The report said commercial land prices in the Tokyo, Osaka and Nagoya areas as of Jan. 1 dropped an average 16.0 percent from a year before, following a 14.8 percent fall as of Jan. 1, 1995.

Following the liquidation of the mortgage companies, their loans will be taken over by a planned debt-collection body.

Asked by reporters about the reported resignation of Yo Kurosawa, president of the Industrial Bank of Japan (IBJ), Kubo said the reshuffle can be taken as indicating one of the ways for banks to take the blame for the bad loan mess at the failed mortgage companies.

Major commercial banks are among the founders of the housing loan companies as well as being major creditors to the firms.

IBJ officials said Thursday Kurosawa will be replaced by IBJ vice president Masao Nishimura and become chairman, without the right to represent the Long-Term Credit Bank.

The officials, however, said the planned reshuffling of its top management is not related to the housing loan fiasco, but is aimed at having a younger leader at the IBJ's helm.

Kubo urged banks to abandon all their loans to the mortgage companies on the assumption that the fiscal 1996 budget and a bill for the dissolution of the housing loan companies will pass the Diet without modification.

If banks abandon the loans before the loan-recovery organization is created, there will be no adverse effect on the framework of the government's scheme to liquidate the housing loan companies, he said.

Under the government's liquidation scheme, banks initially planned to abandon all their loans in the business year to next March 31 so that they could make tax-free write-offs of the resulting losses.

The Diet delay in approving the liquidation scheme, however, has prompted some banks to consider indirect write-offs of their loans in the form of setting aside reserves for possible loan losses.

The banks fear they may face class action suits by shareholders if they simply give up their loans without assurance that the government scheme will be approved by the Diet.

Japan: Government Compiles 'Largest-Ever' Stopgap Budget

OW2203114696 Tokyo KYODO in English
0929 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — The government has outlined the largest ever stopgap budget totaling 11.6 trillion yen featuring huge public works outlays designed to stimulate the domestic economy, officials said Friday [22 March].

The officials said the fiscal program was presented Friday to a policy coordination conference of the three-party ruling coalition.

They said the provisional plan covering the first 50 days of fiscal 1996, starting April 1, incorporates about 2.8 trillion yen in outlays for public works projects, equivalent to nearly one-third of expenditures set aside for public works in the main fiscal 1996 budget.

Debates on the main budget in the Diet have been stalled over a government plan to use 685 billion yen in taxpayers' money to resolve seven failed housing loan companies, requiring a stopgap budget to cover state finances.

The officials said the government plans to introduce the provisional budget to the Diet on Tuesday immediately after endorsing it at a cabinet session earlier in the day.

The stopgap program also includes expenditures on pension payments, allocations of taxes to local governments and personnel costs for public servants, they said.

It embodies a construction bond issue worth about 3.8 trillion yen, and the revenue-expenditure gap will be covered by a short-term treasury bill issue worth about 7.8 billion yen, the officials said.

Japan: Ministry Issues License to U.S.-Based Insurance Firm

OW2203130196 Tokyo KYODO in English
0938 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO —- The Finance Ministry said Friday [22 March] it has licensed Cigna Accident and Fire Insurance Co. to do nonlife insurance business covering 20 items such as fire, accidents and automobiles in Japan.

The company is a wholly owned subsidiary of Cigna Overseas Insurance Co., an insurance company belonging to the Cigna group of the United States.

It was set up Jan. 26 in Tokyo's Chiyoda ward with a capital of 3 billion yen.

It is the fifth foreign-owned nonlife insurance company that the ministry has licensed under the Insurance Business Law.

Japan: Nissan Expected To Form Bus, Truck Joint Venture in PRC

OW2203122196 Tokyo KYODO in English
0934 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO —- Nissan Diesel Motor Co. said Friday [22 March] it will form a joint venture company in China in June to produce trucks and buses for supply to the Chinese market.

The joint company will be established in Hangzhou, Zhejiang Province, and produce 5,000 large trucks and buses a year, starting in April 1997, Nissan Diesel said. The joint venture's name has yet to be decided.

The new company will be capitalized at 1,967 million yen.

Chinese automaker Dong Feng Motor Corp. will hold a 50 percent stake, while Nissan Diesel will contribute 25 percent of the capital, the truck and bus maker said.

The remaining 25 percent will be split into 15 percent for Sumitomo Corp. and 10 percent for the Tan Chong business group of Malaysia.

The formation of the joint company follows the Chinese Government's approval of a feasibility study report on the project, Nissan Diesel said, adding that it is the first approval for an automobile joint venture since China announced its new auto industry policy in July 1994.

Japan: Auto Service Industry Chief on 1996 Issues

OW2203050696 Tokyo SEIBI IN TOKYO in Japanese Feb 96 pp 4-5

[Article by Hiroyuki Tsuruoka, chairman, Tokyo Automobile Service Promotion Association; president, Tokyo Automobile Service Commerce Association; and chairman, Tokyo Automobile Service Political Federation]

[FBIS Translated Text] Happy New Year. I would like to offer my views on a few subjects at the beginning of this new year. Looking back at the situation in the motor vehicle service industry last year, I would point to such things as the fact that from July the Revised Road Vehicles Act went into effect, the Japan-US Automobile and Auto Parts negotiations resulted in agreement on a "simplified verification system," and so on. Also, the deregulation subcommittee of the government's Administrative Reform Committee issued its report on the "debate on reevaluation of the shaken mandatory inspection system." All in all, it was quite a tumultuous year. Amidst these conditions, in July 1995 the Regular General Meeting/Proxy Meeting of our organizations elected new general officers to replace those whose terms had expired. In addition, the Tokyo Automobile Service Promotion Association [TASPA] and Tokyo Automobile Service Commerce Association increased their number, clearly identified the various duties of these personnel, and took other steps to launch our new operational system. First, when it comes to TASPA, various local chapters sponsored information meetings on how people should adapt to the revised road vehicles act, and the preparation system for introduction of the new system. Moreover, we also made use of the mass media for publicizing such things as taking advantage of the possibilities offered by spot-check maintenance promotion days, as well as sponsoring PR activities concerning the necessity for periodic spot-check maintenance, and making known the gist of the revisions to the Road Vehicles Act. Moreover, when it comes to the responses to deregulation, in terms of extensions in the periods between required shaken maintenance and so on, as far as the "operational measures for the legal and tax systems" that are going into effect from FY1996, we are going to be engaging in energetic appeals to try to win the support of officials who have a connection with this problem, starting with Diet members, who will support the basis of the system for motor vehicle shaken mandatory maintenance inspections and spot-check maintenance, while by no means allowing for retreat when it comes to safety maintenance and pollution-prevention for motor vehicles. Among these issues, when it comes to the shaken mandatory inspection system, there is the issue of "deregulation." Our industry must face up to this problem as being something urgent and serious, and seek to win recognition that the requirements of this system are not "economic regulations" designed to impede the opening up of markets, but rather are a form of "social regulation" that is directly tied to the safety of the nation's people. Based on that rationale, after clearly ascertaining the degree of effects of the New Motor Vehicle Law, we should make appeals to those parties concerned (including legislators) to carry out exhaustive technical and specialized discussions on related matters. In addition, in November 1995 the 10th All-Japan Motor Vehicle Service Technical Skills Grand Championship, in which auto maintenance personnel from throughout Japan competed, took place. A team from Tokyo took top honors in the semifinal competition. Such "skill meets" in which motor vehicle maintenance specialists can display their technical expertise, starting at the local preliminary trials level, can involve numerous contestants. Moreover, such competition serves at the very least to help raise the overall service technology level throughout the industry. I would also note that "maintenance technical education" is an important pillar of the operations of our promotion association. In that respect, in line with the great changes that are taking part in the economic environment, we decided from the latter part of 1995 to commence study on the establishment of "educational facilities." On the other hand, when it comes to our commerce and industry organization, we are aiming to revitalize its activities. For example, starting last year delegates representing local chapters, organized within blocks, began meeting in their own separate "Delegate Meetings." Product PR and other forms of information are also being disseminated, primarily through information exchanges within blocks. Other activities we are engaged in include: promotion of diffusion of "insurance for vehicles entrusted for service (maintenance)" as a reaction to implementation of the PL (product liability) Law, services for taking charge of vehicles for dismantling, support for computerization for customer control purposes as a response to the Revised Motor Vehicle Act, playing the role of price leader when it comes to service-connected parts, etc., planning for the further revitalization of sales and financing operations based on the principle that the "interests of association members should come first," gathering contributions for a "Second Modernization Fund," and otherwise through such activities striving to modernize our industry.

As for the activities of the political association, we have been providing support from both the promotion association and commerce and industry association sides in order to achieve correct understanding among Diet members involved in this area concerning the things required to develop a healthy motorized society, such as the need for the auto service industry to play a social role when it comes to such things as safety preservation and pollution-prevention for motor vehicles, and generally have been deepening interchange with these legislators.

During 1996, in addition to working to breathe greater life into our programs for "discount shaken," "user shaken proxy operations" or other such things related to "prior shaken mandatory inspections," etc., we also will take other measures, starting with the establishment of a "simplified verification system" for special categories of motor vehicle parts, to promote various kinds of "deregulation" to guarantee the "self-responsibility" principle in an attempt to react to the "terrible wintry age" that Japan's motor vehicle service industry seems likely to face in the days to come, although the shape of these things to come is extremely hazy at best. Especially because we are coming face-to-face with such an age, we must question and become aware of the true value of the motor vehicle service industry, deal with the problems facing it, keep a careful eye on the structural changes that are taking place in society, and from the medium- and long-term point of view begin a "study on our future vision" that will envisage how motor vehicle service operations are likely to be transformed. At the same time, we must work to establish educational facilities at as early a date as possible. The rationale here is that we should be cognizant of how we can promote the expansion of human resource development activities, including lifetime education, and service/maintenance technology education is the place to start in this respect. We should also work to promote "countermeasures to make the industry healthier," which would include activities to further clarify the content and charges for spot check maintenance, so as to respond to the expectations of customers and win their trust. In addition, our three service industry groups should clarify the various roles and responsibilities they have within their respective operational areas, while at the same time seeking to make the way in which their organizations function more dynamic and efficient. These things should be prioritized and dealt with systematically. Finally, I would appeal for government agencies and groups with which we have a connection to provide us with even greater guidance in the future, while also asking that all members of our associations will give us your deep understanding and cooperation in the coming year. I wish all of you a Happy New Year.

Japan: New Trade, Investment Facilities Expected To Open in Apr

OW2203054096 Tokyo KYODO in English 0506 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — The government will spend around 15 billion yen to open facilities in seven prefectures and cities such as Osaka for promoting Japan-bound imports and investment, beginning in early April, the Ministry of International Trade and Industry said Friday [22 March].

The planned facilities will be run by the government-affiliated Japan External Trade Organization (JETRO) to provide import promotion services through the internet, send out information on investment in Japan and offer consultation services, they said.

The facilities are designed to support the activities of 18 "foreign access zones" which were designated under a 1992 law to promote inbound trade and investment.

Under the law, the government has developed ports and other import-related infrastructure in zone areas. It now expects to step up import promotion on the software front by boosting the areas' information-providing capacities.

JETRO is already operating support facilities with help from local governments in six prefectures and cities.

The six areas are Hokkaido in northern japan, the city of Kawasaki, which is just southwest of Tokyo, Osaka prefecture, the city of Osaka, Ehime prefecture on the island of Shikoku, and the city of Kitakyushu on the island of Kyushu.

The government plans to upgrade three of the existing centers — those in Osaka prefecture, Ehime and Kitakyushu — and build four more in the city of Kobe, Oita prefecture on Kyushu and Tottori and Yamaguchi prefectures in western Japan.

The government allocated 15 billion yen in its supplementary budget approved last fall to construct and operate the facilities, according to the officials.

Older JETRO-financed facilities have only one staffer each, whereas the seven new support centers will have at least three officials to provide better information and consultation services, the officials said.

Meanwhile, the government will also build a public relations center in Tokyo to pool information on activities in each zone area and disseminate details to foreign enterprises. The center will also coordinate JETRO trade fairs, they said.

Japan: Hashimoto Seeks More Deregulation of Postal Services

OW2203060796 Tokyo KYODO in English 0503 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO - Prime Minister Ryutaro Hashimoto instructed Posts and Telecommunications Minister Ichiro Hino and Labor Minister Takanobu Nagai on Friday [22 March] to promote deregulation in services under their jurisdiction, government officials said.

The instruction followed a recommendation by an advisory body to the prime minister last December that the government promote deregulation in fields such as telephone and employment introduction services, the officials said.

Hino said his ministry is studying in earnest a proposal to break up Nippon Telegraph and Telephone Corp.

Nagai said liberalization of employment introduction services is being studied by the Central Employment Security Council, an advisory panel to the labor minister.

Japan: Coalition Agrees To Delay Decision on NTT Breakup

OW2103171496 Tokyo KYODO in English
1521 GMT 21 Mar 96

[FBIS Transcribed Text] Tokyo, March 21 KYODO -- A ruling coalition task force debating the contentious split of Nippon Telegraph and Telephone Corp. (NTT) agreed Thursday [21 March] to postpone deciding on the breakup, while urging any other deregulatory step possible in the telecommunications sector.

The government was supposed to finalize its stance on the NTT breakup by the end of March, but "discussion is too premature to draw a conclusion," a task force member said.

The task force has yet to agree on how long the decision should be delayed, coalition sources said.

The Liberal Democratic Party, the largest member of the ruling camp, proposes delaying the decision for around a year until the next regular parliamentary session in January, the sources said.

However, the Social Democratic Party, the second largest force in the coalition, argues for spending another three to five years dealing with the matter. NTT President Masashi Kojima made a similar proposal when he met the press earlier this month, they said.

New Party Sakigake, the third group in the coalition, is complaining about the figures presented by the two partners without mutual consultation, according to the sources.

At Thursday's session, some task force members said that the coalition should respect a report filed in February by the Telecommunications Council, a government advisory panel.

The panel had called for splitting NTT into one long-distance and two local carriers serving the eastern and western halves of Japan to help lower rates and diversify services through competition.

But the majority of the task force argued that they should debate the breakup issue calmly, while pressing ahead first with other deregulatory measures, the sources said.

The study group will classify deregulatory measures into those inseparable from the breakup and those independent of it when they convene next time. They have agreed to include the separable steps in the government's deregulation package due out at the end of March.

Among possible flash points in this process will be whether international carrier KDD should be allowed to enter domestic telecom services irrespective of the NTT breakup. The government advisory panel had proposed allowing kdd to go domestic prior to the split.

Japan: Kajiyama Explains Hashimoto-Ozawa Talks to Cabinet

OW2203085796 Tokyo NHK General Television Network in Japanese 0307 GMT 22 Mar 96

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] In informal conversations following the cabinet meeting this morning, Chief Cabinet Secretary Seiroku Kajiyama urged cabinet ministers to cooperate in strengthening government-coalition unity to achieve early passage of the fiscal 1996 budget bill.

In explaining the recent meeting between Prime Minister Ryutaro Hashimoto and New Frontier Party [Shinshinto] head Ichiro Ozawa, Kajiyama said: The meeting was held because Hashimoto had to do his best to break the deadlock over Diet proceedings. The two leaders agreed to resume deliberations on a stopgap budget and legislation, but failed to stop Shinshinto's blockade of the Diet's budget panel room. That is what the Hashimoto-Ozawa talks were all about.

On that basis, Kajiyama rallied cabinet ministers to unite in coping with the Diet stalemate, saying both the government and the coalition parties should seek early passage of the budget bill and normalization of Diet proceedings.

Kajiyama's remark is believed to have been an explanation to members of the coalition government out of consideration for coalition partners voicing frustration with Hashimoto and Ozawa's surprise meeting.

Japan: Ruling Parties' Discord Over Hashimoto-Ozawa Meeting Viewed

OW2203073596 Tokyo MAINICHI SHIMBUN in Japanese 22 Mar 96 Morning Edition p 2

[FBIS Translated Text] The ruling parties held several meetings of their secretaries general and officials in charge of Diet affairs on 21 March. On the surface, the differences among the three parties arising from the top-level meeting between Prime Minister Ryutaro

Hashimoto and New Frontier Party [NFP] President Ichiro Ozawa have been resolved, and the political line of the Liberal Democratic Party [LDP]-Social Democratic Party [SDP]-Sakigake [Harbinger] coalition has been reconfirmed.

The reason the Hashimoto-Ozawa created a stir is that, in contrast to the "tediousness" of the coalition government's requirement that decisionmaking on political management has to go through a formal consultative organ, the meeting was arranged by Chief Cabinet Secretary Seiroku Kajiyama, who believes that political leadership is needed to bring about a political breakthrough. Moreover, this meeting has also been talked about in the context of the possibility of a "conservative-conservative alliance."

Although Kajiyama later made phone calls to senior SDP and Sakigake officials to admit that the Hashimoto-Ozawa meeting ended in failure, he never revealed the substance of the discussions. Both the SDP and Sakigake have lingering concerns about a "conservative-conservative alliance." Thus, a conflict between LDP Secretary General Koichi Kato's "deference for formal organs" and Kajiyama's "advocacy of strong leadership" may reemerge.

It is reported that, during a phone call to SDP Chairman Tomiichi Murayama on 21 March, Kajiyama talked with Murayama about the resentment in the SDP and Sakigake over the Hashimoto-Ozawa meeting's failure to achieve a breakthrough in making the NFP withdraw its picket line. Kajiyama allegedly explained: "It is said that there is also a strong opinion inside the NFP that picketing should be ended. That is why the meeting was arranged. But I only wasted my efforts in making the arrangements."

Kenzo Muraoka, chairman of the LDP Diet Affairs Committee who actually organized the meeting, also apologized to the SDP and Sakigake during the meeting of the three parties' secretaries general and Diet affairs officials.

Kato and Deputy Secretary General Hiromu Nonaka tried to oppose the Hashimoto-Ozawa meeting up to the last minute because of the expected outrage from the SDP and Sakigake. In the early afternoon of 19 March, Kato had received phone calls of objection from SDP Secretary General Kanju Sato and others saying: "To be honest, this will give rise to hard feelings." He then told Muraoka: "You can go ahead with the top-level meeting, but can you not allow SDP's Kozo Watanabe to be present?"

When Nonaka received a phone call from Hashimoto, he reportedly also strongly adviced him that, "The meeting should only be for two people. If you add a third person (let Kajiyama participate), people will say this is the reappearance of the apparition of Keisei-kai (regrouping of the Takeshita faction)." In the end, Kajiyama joined the meeting midway, and this further enraged the SDP and Sakigake.

The LDP leadership, particularly the "NKK Trio" (Nonaka, Kato and Shizuka Kamei, head of the Organization and Public Relations Headquarters) are believers in the "LDP-SDP-Sakigake" line. The greatest lesson they have learned from the non-LDP administration [of former Prime Minister Morihiro Hosokawa] is that Ozawa's arbitrary methods, as seen in the "national welfare tax plan," gave rise to objections from the SDP and Sakigake, and brought about the collapse of the government. They have, therefore, adhered closely to the position of "deference for formal decisionmaking organs." This is also the reason the LDP leadership insists that Diet issues should be handled by a meeting of the Diet Affairs Committee chairmen; political management by a meeting of secretaries and deputy secretaries general; and policy questions by the policy coordination committee.

However, Kato also speaks of the difficulty of acting as the coordinator as a result of taking such a position. He says: "It is troublesome and time-consuming. You also need to make an enormous number of phone calls." Admittedly, this system is not effective for achieving a dynamic breakthrough in a political deadlock. If the recent meeting had actually been able to accomplish the withdrawal of the picket line, the SDP and Sakigake would not be able to complain, and Kajiyama would have become the hero in achieving the polical breakthrough.

Right now, Kato shows a conciliatory attitude toward Kajiyama, saying: "In the future, top-level meetings will still be necessary." The next question now is what can Kato do in this situation.

North Korea

DPRK: PRC Reaction to U.S. Congressional Resolution Noted

SK2203140696 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 22 Mar 96

[FBIS Translated Text] According to a XINHUA report, the Chinese Foreign Ministry spokesman strongly lashed out at the United States during a news briefing on 21 March for the adoption on 19 March of a U.S. House of Representatives resolution regarding the situation in the Taiwan Strait.

He said the U.S. side seriously violated China's sovereignty and outrageously interfered in China's internal affairs. He went on to say that the Chinese Government and its people resolutely oppose and express strong resentment at the vicious U.S. conduct that led to the deterioration of the already tense situation across the Taiwan Strait.

Saying that China will not allow foreign interference of any type, the spokesman pointed out that U.S. interferences were doomed to failure. He then said: The position of the Chinese Government and its people to defend its national sovereignty and territorial integrity stands firm. We demand that the United States observes the principles of the Sino-American joint communiques as well as comply with the elementary requirements of international law. The United States should also immediately stop its wrong deeds of infringing upon China's sovereignty and interfering in its internal affairs.

DPRK Daily on NKP 'Foolish Attempts' To Win Assembly Election

SK2203052896 Pyongyang KCNA in English 0426 GMT 22 Mar 96

["NODONG SINMUN on Fraudulent Election Campaign in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — The South Korean puppets are resorting to foolish attempts to calm down the anti-Kim Yong-sam and anti-"New Korea Party [NKP]" struggle by means of deception and suppression and win the "National Assembly Election," says NODONG SINMUN today.

Recently, the "minister of home affairs" and the "minister of justice" released a "joint statement" concerning the forthcoming "election," pledging to make the "election" take place in compliance with the law and order and without backing of money, the daily says, and continues:

Their remarks are the height of shamelessness and an insult to the people.

In the "statement" they said that the "election management should be observed strictly" and "disorder during the election will be dealt with severely." This goes to show that they intend to have the "election" held by means of suppression and fraud, shackling the people standing opposed to them to the repressive order.

The South Korean people know well that a fair election can never be expected under the corrupt administration of the Kim Yong-sam group.

They will apparently vote against the Kim Yong-sam group and their "New Korea Party," which regard them as nothing more than the target of deception and harsh suppression.

DPRK: ROK Defector Interviewed in Pyongyang 21 Mar

SK2103113596 Pyongyang KCNA in English 1018 GMT 21 Mar 96

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA) — Tak Yong-tae, 52, who defected from South Korea to the northern half of Korea, was interviewed here today.

Hailing from Seoul, he engaged in fibre sale in and outside South Korea before coming over to the North.

Referring to his defection to the socialist northern half of Korea, he said it was motivated by his determination to find a new life freed from the tentacles of the "Agency for National Security Planning", that had persecuted him, labelling him as "a pro-communist element", "a man connected with the North" and "a seditious element", on the grounds that he stood for the South-North cooperation in fibre-making.

"I was convinced that where I should live was not the South harassed by power struggle of the corrupt rulers, jungle law, bribery and the slush fund scandal, but the socialist North that was advancing vigorously towards a bright future under the leadership of the great leader Comrade Kim Chong-il," he said. "So, I made up my mind to try a defection when I was in France."

He charged that Kim Yong-sam has driven the South Korean economy further to dependence on other countries and bankruptcy after he took power.

"Fibre industry is undergoing the worst crisis and the rate of unemployment continues to be on the increase due to the failure of all the economic policies of the 'civilian government'," he said.

"Now the South Korean economy has almost hit rock bottom like a drunken man standing on a log bridge," he noted.

He said that Kim Yong-sam's imprisonment of Chon Tu-hwan and No Tae-u is a political drama.

He revealed that Kim Yong-sam intends to allay the people's resentment with the detention of Chon Tu-hwan and No Tae-u and then let them flee South Korea in May or June this year.

"Kim Yong-sam, very uneasy about his lot after his retirement, resorts to every conceivable means to find a way out, but it is too late," he said.

Turning to his impressions of the northern half of Korea, he said:

"The North is a paradise envied by all people on the globe. It is like a land in a bright spring day.

"It is the North that has the great President Kim Il-song revered by all peoples and it is also the North that has General Kim Chong-il, who will lead the 21st century.

"The northerners are, indeed, the happiest people blessed with the outstanding leader."

DPRK: Seoul Radio Cited on Demonstrations Against Chon, No

SK2103151196 Pyongyang KCNA in English
1503 GMT 21 Mar 96

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA) — People of various strata held a fierce protest demonstration on March 18 around the Seoul District Court, the venue of the second trial of the traitors Chon Tu-hwan and No Tae-u, a Seoul-based radio said.

Members of the fellowship society of the wounded in the Kwangju popular uprising threw rotten eggs at the traitor No Tae-u when he was entering the front-gate of the court.

And, members of different civic and public organizations including the family movement council for realizing democracy released a statement denouncing the murderers of Kwangju uprisers and went over to a demonstration.

The "National Congress for New Politics" of South Korea said the authorities' scheme to hold the trial concerning the "presidential election" fund after the "election", while hurrying up the trial for the December 12 and May 18 events, is creating a favourable condition for the ruling party in the long run.

The Democratic Party denounced the former "president" Choe Kyu-ha's refusal to give testimony in court as a behaviour ignoring the people and held that he should be brought before the court along with Chon Tu-hwan and No Tae-u for a correct probe into the truth.

DPRK: European Pomminnyon Sends 'Indictment' of Kim Yong-sam to UN

SK2103120896 Pyongyang KCNA in English
1009 GMT 21 Mar 96

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA) — The European headquarters of the National Alliance for the Country's Reunification (Pomminnyon) sent a bill of indictment against the traitor Kim Yong-sam to the U.N. Commission on Human Rights some time ago.

The bill accused Kim Yong-sam of detaining and persecuting the hardcore officials of the South side headquarters of Pomminnyon on charges of "violation of the National Security Law."

The Kim Yong-sam group brand the organisation which fights for peaceful reunification of the country as illegal and persecute its members, the bill noted, denouncing it as an act contrary to the international declaration of human rights and the international statute of human rights.

Even the United States and international human rights bodies call for the abolition of the "National Security Law," it said, demanding that the Kim Yong-sam regime abolish this evil law and release all the prisoners of conscience in South Korea.

"Our nation can no longer live separated under this evil law. The abolition of the law is the first and foremost task facing all pro-reunification figures and student activists at home and abroad," the bill said.

DPRK: ROK Denounced for Imprisoning Pomminnyon Members

SK2103114196 Pyongyang KCNA in English
1011 GMT 21 Mar 96

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA) — Kang Sun-chong, vice-chairman of the Seoul City Federation of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon), denounced the South Korean authorities for imposing imprisonment upon members of Pomminnyon, who have devoted themselves to the movement for reunification all their life, on charge of "spying" and violating the "National Security Law."

Noting that Pomminnyon represents the ardent desire of the fellow countrymen to reunify the North and the South, he said that they would further develop the non-governmental reunification movement to meet the desire.

Meanwhile, members of the South side headquarters of Pomminnyon staged their 100th day sit-in as of March 9 in protest against the fascist clique's suppression of its hardcore members.

DPRK: Prison Sentence of ROK Hanchongnyon Students Decried

SK2203053596 Pyongyang KCNA in English
0420 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — The Kim Yong-sam fascist clique of South Korea on Thursday [21 March] demanded twelve years of imprisonment and suspension of qualification for Chong Min-chu and Yi Hye-chong respectively on charges of the violation of the fascist "National Security Law," a Seoul-based radio reported.

The fascist clique charged the coeds with their "unauthorized visit to the North" as delegates of the South Korean Federation of University Student Councils (Hanchongnyon) under the South side Headquarters of the National Alliance of Youth and Students for the Country's Reunification and with their "sympathy with and praise" of the North's proposal for reunification through confederation.

As already reported, the girls visited Pyongyang to participate in the Grand National Reunification Festival marking the 50th anniversary of the country's liberation in August last. During their visit, they were engaged in righteous activities for an early reunification desired by the nation, enjoying full support from the fellow countrymen and being praised as heroic daughters of the nation.

Nevertheless, the Kim Yong-sam fascist clique have detained and persecuted them for a long time and, finally, demanded such penalties for them. The fact clearly shows that the fascist clique are a group of anti-reunification elements going against the nation's desire.

DPRK: Yi Song-tae Attends Reception at Russian Embassy

SK2203045896 Pyongyang KCNA in English
0422 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — Russian Ambassador to Korea Yuriy Fadeyev hosted a reception at the embassy on Thursday evening on the occasion of the 47th anniversary of the signing of the agreement on economic and cultural cooperation between the Democratic People's Republic of Korea and the Russian Federation.

Invited to the reception were Chairman of the State External Economic Affairs Commission Yi Song-tae, Vice-minister of Foreign Affairs Yi In-kyu, Vice-chairman of the Committee for Cultural Relations with Foreign Countries and Vice-chairman of the Korea- Russia Friendship Association Kim Yong-su and other officials concerned.

Speeches were made at the reception.

DPRK: WPK Congratulates Lao PRP Chairman on Reelection

SK2203104296 Pyongyang KCNA in English
1015 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — The Central Committee [C.C.] of the Workers' Party of Korea on Wednesday sent a message of greetings to Khamtay Siphandon upon his reelection as chairman of the C.C., the Lao People's Revolutionary Party [LPRP].

Expressing the belief that the friendly relations between the Korean and Laotian parties would further strengthen and develop in the interests of the peoples of the two countries, the message wished the chairman greater success in his work for the implementation of the decisions of the sixth LPRP Congress.

DPRK: MINJU CHOSON Marks Day of Pakistan

SK2203104096 Pyongyang KCNA in English
1013 GMT 22 Mar 96

["Day of Pakistan Observed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — MINJU CHOSON today dedicates an article to the day of Pakistan.

The Pakistani people are now striving to achieve the stability and democratic development of the country and national unity, the author of the article notes, and says:

The government of Pakistan is pursuing non-aligned foreign policy and developing relations with different countries.

The Korean people are rejoiced over the achievements made by the Pakistani people in their efforts for the independent development of the country.

They believe that the friendly and cooperative relations between the two countries will further develop on good terms in the future, too, and wish the Pakistani people greater success in their endeavours to build a prosperous, new society.

DPRK: Kang Song-san Sends Greetings to Pakistan's Bhutto

SK2203103796 Pyongyang KCNA in English
1017 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — Kang Song-san, premier of the Administration Council, sent a message of greetings to Prime Minister Benazir Bhutto on the day of Pakistan.

In the message Kang expressed the belief that the excellent relations of friendship and cooperation between the two countries would further strengthen and develop, and wished Benazir Bhutto greater success in her work for national development.

DPRK: Kim Su-hak Attends Gathering on Day of Pakistan

SK2203045696 Pyongyang KCNA in English
0413 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — A friendship gathering took place here on Thursday to mark the day of Pakistan.

Present on invitation were Pakistani Ambassador to Korea Rehmdil Bhatti and embassy officials.

Kim Su-hak, minister of public health and chairman of the Korea- Pakistan Friendship Association, and officials concerned were also present.

The participants saw a Pakistani documentary film and had a friendly conversation.

DPRK: Kang Song-san, Kim Yong-nam Send Greetings to Tunisia

SK2103215796 Pyongyang KCNA in English
1508 GMT 21 Mar 96

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA) — Kang Song-san, premier of the Administration Council, sent a message of greetings to Hamed Karoui, prime minister of Tunisia, on the occasion of the 40th anniversary of the national day of Tunisia.

The message expressed the belief that the friendly and cooperative relations between the two countries would continue to develop in the interests of the peoples of the two countries.

Foreign Minister Kim Yong-nam sent a message of greetings to Habid Ben Yahia, minister of foreign affairs of Tunisia.

DPRK: ROK 'Underground' Circle Praises Kim Chong-il

SK2103113996 Pyongyang KCNA in English
1005 GMT 21 Mar 96

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA) — Prof. Han Yong-son (nickname) made a keynote speech entitled "Nation's Destiny and Leader" before students at a seminar organised by an underground ideology study circle of a university in South Korea, to which he was invited, on February 16.

The Seoul-based radio Voice of National Salvation [VNS] quoted him as saying:

"General Kim Chong-il greatly touches the hearts of us South Koreans and we sincerely regard him as the genuine leader of the nation. This is a natural phenomenon of national sentiment.

"We South Koreans worship him as the great leader of our nation because we believe that he is a guardian and fine son of the nation who firmly safeguards the lifeline and orthodoxy of our nation. It is our nation's orthodox belief that President Kim Il-song is a peerless patriot and national hero.

"The leader Kim Chong-il defined the completion of the cause of national independence, the chuche cause, as the final objective. He is creditably carrying forward the president's cause.

"After the president passed away, the leader Kim Chong-il consecrated the Kumsusan Memorial Palace, where the president lies in state, as a great sanctuary of the nation, and called on the people to arm themselves more firmly with the president's revolutionary ideas. This is patent proof of his unshakable faith and strong will to keep to the lifeline and orthodoxy of the nation without fail.

"The numerous celebrated works published by the leader Kim Chong-il on the basis of the chuche idea serve as a mental pabulum, beacon and powerful weapon of our nation as well as a textbook of the time which is of great importance in human history. He is, indeed, a brilliant philosopher, great thinker and the nation's moral symbol who exalts the soul of the nation.

"His benevolent politics is characterised by love for and trust in the people. He is the centre of national unity who shows great favours for our nation and people.

"It is the great happiness of our nation to have their leader in the person of General Kim Chong-il, the son of Mt. Paektu and great man produced by heaven. As the sun in the sky is one, so the sun and leader of our nation is one, that is, General Kim Chong-il, the genuine leader of the South Korean people."

DPRK: Kim Chong-il Receives Message From Kazakhstani Party

SK2203045396 Pyongyang KCNA in English
0411 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — The great leader Comrade Kim Chong-il received a solidarity message from the Political Executive Committee of the Socialist Party of Kazakhstan supporting the DPRK Government's proposal to conclude a tentative agreement for establishment of a new peace mechanism.

The Political Executive Committee of the Socialist Party of Kazakhstan shares the concern of the DPRK leadership over the intensified war preparations of the United States and the moves to form a "tripartite military alliance" of the United States, Japan and South Korea and regards these moves as an overt provocation for new war, which is aimed at reversing the framework agreement adopted between the DPRK and the U.S. and threatening security on the Korean peninsula, the message says:

"We who support the peaceful policy express our belief that the measure taken by the DPRK will help this time, too, toward the holding of talks for an epoch-making institutional device to remove dangerous hostile relations and guarantee a durable and lasting peace in the Pacific region," it adds.

DPRK: Art Exhibition on Kim Chong-il's 'View of Life' Opens

SK2203103696 Pyongyang KCNA in English
1011 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — An art show on the theme of "Live Today for Tomorrow, Not for Today", the revolutionary view of life of the great leader Comrade Kim Chong-il, opened here on Thursday.

On display are pieces of fine arts portraying the respected leader President Kim Il-song standing in the van of the revolution, holding the red flag high all his life for happiness of the Korean people and brilliant future of humanity, and Comrade Kim Chong-il making tireless efforts for the people.

Also on display are works of fine arts showing the noble fighting spirit of the anti-Japanese revolutionary predecessors, heroes and heroines in the fatherland liberation war period, standard-bearers in the age of the great Chollima upsurge and the present people of Korea.

DPRK: Kim Chong-il's 'Outlook on Life' Described

SK2203103196 Pyongyang KCNA in English
1009 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — "'Let's live not for today, but for the future ' — this is my outlook on life."

This is what the great leader Comrade Kim Chong-il told some officials recently.

The witty remark mirrors his firm resolution and will to overcome any difficulties with the conviction of sure victory and accomplish the revolutionary cause of chuche at any cost.

He has devoted all his thinking, energy and efforts to the future of the prosperous homeland.

Thinking that the future just means today's sustained efforts, he is energetically working round the clock. It was on the early morning of the New Year day of 1976. After the clock banged two, an official, worried about Comrade Kim Chong- il's health, entered his office and earnestly hoped he would take even a few hours of rest.

But Comrade Kim Chong-il said: "If a locomotive pauses, its cars also stand still. If our party, the locomotive of the revolution, stops its work even a day, it will delay the revolution and construction that much and make it impossible for our people to build communist society earlier than others. Such thinking makes me get out of bed and engage in my work. I hope you will understand me."

Then, he continued working in his office.

His energetic working style is based on the notion that as an arrow is shot never to return again, the spent time never comes again, so one should always do what is to be done tomorrow, using time in a three-dimentional way.

There are many revolutionary anecdotes about his devoted service to the country and the people and about his greatness.

The anecdote "officials and their ability" tells about his distinguished ability to deal with many affairs of the party and the state simultaneously, "Story About Countermeasures" shows his working style of always mixing himself with the working people and shaping lines on the basis of their desire and "New Year Day Diary" and "Nap and Rice-balls" reflect his noble traits of devoting even holidays and his birthdays to the development and prosperity of the country and to the happiness of the people, without taking a rest and meal in time.

He considers that taking a nap is a good way for the revolutionaries to recover from their fatigue and rice-balls are convenient for them to take on journey. So, he usually takes a nap and rice-balls in the car or on the roadside on the way of on-site guidance. Thanks to such energetic activities of Comrade Kim Chong- il, the homeland is more prospering and the happiness of the people is ever increasing.

His outlook on life has become all the Korean people's.

DPRK: Kim Chong-il Thanks Workers, Public Security Officers

SK2203050296 Pyongyang KCNA in English
0428 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials and employees of the Anju Export Garment

Factory and the South Hamgyong Provincial Medicine Supply Station, Choe Pok-tae, an editor of the Working People's Organizations Publishing House, and his family, Yi Sung- kom, a worker of the Chilsong Restaurant, and her parents for having fully displayed the communistic traits.

He also extended thanks to twelve public security officers of the Yu Ki-yong Unit of the Kaesong Municipal Public Security Bureau for having built a bridge across railways with their own efforts for traffic convenience of people.

DPRK: Literature Developed Under Kim Il-song, Kim Chong-il

SK2103122796 Pyongyang KCNA in English 1026 GMT 21 Mar 96

["Literature and Art of Chuche Efflorescing and Developing Brilliantly Under Party's Leadership" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA) — It is under the guidance of the fatherly leader President Kim Il-song and the respected General Kim Chong-il, the trailblazers of the chuche-based literature and art, that literature and art of Korea has made a great progress with brilliant achievements for 50 years. This is the greatest fortune, privilege and glory of the literature and art of Korea.

Paek In-chun, chairman of the Central Committee of the General Federation of the Unions of Literature and Art of Korea [GFULAK], said this in an article contributed to NODONG SINMUN today on the occasion of the 50th anniversary of the foundation of the GFULAK by the great leader Comrade Kim Il-song (March 25, 1946).

The article captioned "Literature and Art of Chuche Efflorescing and Developing Brilliantly Under Party's Leadership" says:

Writers and artistes of Korea suffered all manner of humiliation as colonial men of culture in pre-liberation days. They could not put a period to their distress-torn history of life and become the masters of their destinies and dependable builders of revolutionary literature and art until they have the respected Comrade Kim Il-song as their great leader and tender-hearted teacher.

The respected General Kim Chong-il is possessed of rare wisdom, a gift for art and outstanding talents for literature and art. His guidance over our literature and art has been a driving force and basic guarantee for the heyday of our socialist literature and art.

He unfolded a lofty plan for the building of a new revolutionary literature and art at the initial period of his guidance over literature and art. He set forth the first and foremost task and the main front of literature and art to create works on the leader and led the creative staff to it. As a result, the heyday of literature and art for portraying the leader has come to our country.

He creditably inherited the chuche-based literary and art idea of the great leader President Kim Il-song on building literature and art, national in form and socialist in content, of high ideological and noble artistic level. And he clearly indicated how to thoroughly apply the basic requirements of chuche-based humanics and the chuche-orientated realistic method of creation to literary and art pieces and gave detailed and energetic guidance to it, thus placing the ideological and artistic level of Korean literature and art on a higher stage.

Under the leadership of the party, all kinds and forms of Korean literature and art — literature, the cinema, drama, music, fine art, circus and photograph — have brilliantly developed in conformity with the requirements of the times and with the aspirations and feelings of the people.

Pyongyang Symposium Marks Anniversary of 20-Point Platform

SK2203045996 Pyongyang KCNA in English 0416 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — A symposium of social scientists was held on Thursday [21 March] to mark the 50th anniversary of the publication of "The 20-Point Platform" and the promulgation of laws on democratic reforms.

After the liberation of Korea, the great leader President Kim Il- song propounded his idea of the anti-imperialist, anti-feudal democratic revolution and built a genuine government of the people. In 1946, he published "The 20-Point Platform" (March 23) and promulgated the Law on Agrarian Reform (March 5), the Labour Law (June 24), the Law on Nationalisation of Industries (August 10) and the Law on Equality of Sexes (July 30).

"The 20-Point Platform" specifies the demands of the democratic revolution and the path of an independent, sovereign state, speakers said at the symposium, adding that its validity and vitality have been fully displayed in the effort to build an independent, sovereign state in the era of chuche.

It was also stressed at the symposium that the laws on democratic reforms served as a great guide of the revolution which perfectly and comprehensively indicates the path for former colonies or semi-colonies to achieve democratic development of society.

DPRK: Achievements Under Three-Revolution Movement Noted

962C0033A Pyongyang NODONG SINMUN in Korean 2 Jan 96 p 3

[Article by Chong Hyon-ku, responsible secretary of the Chongdan County Party Committee: "A Programmatic Classic Elucidating Key Tasks Party Organizations Should Grip Tightly"]

[FBIS Translated Text] Twenty years have passed since the great leader [yongdoja] Comrade Kim Chong-il published his classic "On the Central Tasks Our Party Should Grip Tightly in This Year's Party Work" on 1 January 1976. Currently all our party functionaries, party members, and workers are renewing their firm determination to uphold the commander's leadership with loyalty while tracing in retrospect the footsteps of the energetic leadership of the respected and beloved Comrade Kim Chong-il, who is making tireless efforts to strengthen and develop our party and revolution, taking no sleep or rest even on New Year's Day.

The classic did not illuminate the key task to be tackled merely for the year it was published. Contained in it is the valuable guiding principle party organizations and party functionaries should adhere to forever. It highlights the fundamental problems that will arise in the course of vigorously waging the movement to win the red flag of the three revolutions and improving the party's work method and style. That is why the classic has brought about new upturns in the implementation of our party's mass movement policy and the development of party work for these 20 years, demonstrating its ever increasing vitality. Apart from the validity and great vitality of the thought and theory enunciated in this classic, it is unthinkable that the movement to wind the red flag of the three revolutions could have been waged so vigorously as a society-wide all-people's movement, entailing new upturns in every aspect of the revolution and construction and fully establishing the great-leader-style work method throughout the party. A valuable lesson we learn from the entire course of the struggle to implement the tasks outlined in this classic is that, as is the case with all other aspects of the revolution and construction, we can bring about a revolutionary upturn as long as we follow what the great Comrade Kim Chong-il teaches.

The great significance and vitality of the classic lie, above all, in that it brought about a new upturn in waging the three revolutions, ideological, technological, and cultural, by giving a powerful thrust to the movement to win the red flag of the three revolutions.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "A new, epochal progress will be made in the prosecution of the ideological, technological, and cultural revolutions if we vigorously wage the movement to win the red flag of the three revolutions in every sector and in every unit, according to the party policy."

The movement to win the red flag of the three revolutions is a powerful driving force in effecting a revolutionary turnaround in the ideological and mental aspects of our people's lives, as well as in all aspects of economic and cultural construction. Only by vigorously executing this movement is it possible to strengthen the leading force of our revolution in every possible way and strenuously push ahead with socialist economic and cultural construction in accordance with the requirements for converting the whole society to the chuche ideology.

The great leader [yongdoja] Comrade Kim Chong-il initiated the movement to win the red flag of the three revolutions in order to brilliantly translate the father leader's idea about vigorously pushing ahead with the three revolutions as a mass movement into reality. In his classic, he comprehensively enunciated basic tasks to feed the flames of this movement. The classic elucidates in great detail all matters involved in the vigorous conduct of the movement to win the red flag of the three revolutions, ranging from the characteristics and key tasks, as well as the essential nature and importance of the movement, to the question of how to enhance party organizations' role in this movement. The great Comrade Kim Chong-il set forth the valuable ideological and theoretical principle that would enable us to push the movement to win the red flag of the three revolutions vigorously forward, and the struggle to implement it was carried out as a society-wide all-people's movement. As a result, we came to witness the impressive reality of the three revolutions, ideological, technical, and cultural, be actively elevated to the highest form of mass movement, with the conversion of the whole society to the chuche ideology as its goal, and hear the loud drumbeat of the revolution in every field of socialist construction.

With the ideological revolution vigorously waged in the flames of the movement to win the red flag of the three revolutions, all party members and workers came to cherish loyalty and filial duty to the party and the leader as their creed, and the wholehearted unity of the entire party and the whole society around the great Comrade Kim Chong-il solidified and was all the more airtight. At the same time, brilliant victories were also won in the technological and cultural revolutions; the nation's economic strength increased beyond compare;

and the golden age of a socialist cultural construction was ushered in. Reality patently attests to the absolute validity of the thought and theory enunciated in the classic on waging the struggle to win the red flag of the three revolutions, and proves that when this thought and theory are firmly adhered to and thoroughly implemented, it is possible to successfully carry out all tasks arising in executing the three revolutions, ideological, technological, and cultural, and bring the superiority and invincibility of our way of socialism into full play.

The great significance and vitality of the classic also lie in the fact that it has brought a revolutionary change to improving the party's work method and style.

Improving the party's work method and style arises as a very important problem in enhancing the party's militancy and firmly securing the party's leadership role over the whole society. Unless the work method and style of party functionaries is constantly improved, it is impossible to ceaselessly strengthen the party ranks in accordance with the demands of developing realities and to band the broad masses closely around the party. How thoroughly party-proposed lines and policies are implemented and what wonderful fruits these lines and policies will bear depends, importantly, on the work method and style used by party functionaries in their party work.

For all functionaries to follow the great-leader-style work method in a thoroughgoing manner is the basic way to improve their work method. The great-leader-style work method is a synthesis of all true methods of operation for the working-class party indicating the correct ways to solve all problems in party work and party guidance to the masses, ranging from ways to plan, design, organize, and execute all tasks in the revolution and construction to ways to meet and converse and reason with people; it is, in essence, an encyclopaedia on the art of revolutionary leadership. Each and every one of our party functionaries can strengthen and develop our party forever as the great Comrade Kim Il-song's party and fully discharge his duty as the leader's revolutionary fighter only when he performs his work according to the great-leader-style work method.

In his classic, the great leader [yongdoja] Comrade Kim Chong-il elucidates in concrete terms how all functionaries should uphold the great leader Comrade Kim Il-song's revolutionary thought as their firm creed; adore him infinitely; and follow, neither adding nor subtracting anything, the revolutionary work method and people-oriented work style which he created and which he illustrated by practical example. This clearly illustrates the way the great Comrade Kim Chong-il, with uncanny insight, exerted himself heart and soul early on to strengthen and develop our party forever as Comrade Kim Il-song's party and raise our functionaries into true commanding personnel of the revolution who work according to his intentions. It is due to the energetic leadership of the great Comrade Kim Chong-il, who teaches functionaries in detail how to work according to the great-leader-style work method and who leads them by hand, that there has been a revolutionary turnaround in the struggle to improve their work method and style, and at the same time, the great-leader-style work method has taken firm control of our party.

Our functionaries have made it an established rule and habit to go down to the lower echelons to work closely with the masses in accordance with the demands of the great-leader-style work method, while burning with no other desire but to better implement the party's mass line. As a result, the mass foundations of our party are becoming more and more solid with each passing day, and party lines and policies are being implemented more and more magnificently. As long as we have the respected and beloved Comrade Kim Chong-il's valuable thought and theory on consistently adhering to the great-leader-style work method, as long as we have our party implementing this thought and theory, the harmonious unity between the party and the masses will grow stronger and the revolutionary cause of chuche will advance triumphantly.

The classic of the great leader [yongdoja] Comrade Kim Chong-il has brought about an immense change to our Chongdan County.

Our Chongdan County is an area glorified by the indelible historical sites where the fatherly leader and the respected and beloved commander exercised their on-the-spot leadership. In the last period, the county party committee vigorously waged the movement to win the red flag of the three revolutions, with the thought and theory enunciated in the classic as the guiding principle. We converted the movement to win the red flag of the three revolutions soundly into a partywide undertaking and continually stepped up organizational and political work with a view to turning the process of waging this movement to the process of adding glory to those indelible historical sites on the Yonbaek Plain. In the course of this daily endeavor, as many as 36 units in our county, including Hwasan Cooperative Farm, won the red flag of the three revolutions.

In the roaring flames of the movement to win the red flag of the three revolutions, signal successes were made in implementing the teachings of the fatherly leader and the respected and beloved commander given during their on-the-spot tours, and the county has taken on a completely new look. Today our county is engaged in an overall mechanization of agricultural production by using hundreds of tractors and numerous other farm machines. It has built six reservoirs, including the 18 September Reservoir, and carried out on its own a huge waterway construction project extending hundreds of kilometers. As a result, grain output has increased continually. We saw to it that all party organizations in the country attained their own goals set for the movement to win the red flag of the three revolutions without fail. Through this movement, in the past 20 years we have built 13 modern local factories, including a bean paste factory, and dozens of one-story homes and numerous modern housing units, thereby radically changing the county's appearance. From reality we feel deep in our hearts the profound justification of our party's policy on vigorously waging the movement to win the red flag of the three revolutions.

We are faced with weighty but rewarding tasks as we enter upon the march of the new year, 1996. We must effect a revolutionary upturn in every aspect of socialist construction by upholding the leadership of the great Comrade Kim Chong-il. A sure guarantee for successfully accomplishing this task and making our country richer and stronger lies in feeding the flames of the movement to win the red flag of the three revolutions and making our leading cadres work according to the great-leader-style work method. All functionaries, party members, and workers in our county will brilliantly carry out the tasks lying ahead for the new year, including grain production, through the movement to win the red flag of the three revolutions by continuing to implement the thought and theory enunciated in the classic.

South Korea

ROK: Citizens Object to Camp Hialeah Agreement

SK2203121596 Seoul YONHAP in English
1154 GMT 22 Mar 96

[FBIS Transcribed Text] Pusan, March 22 (YONHAP) — A growing number of citizens here object to the recent agreement between the Pusan Municipality and U.S. military authorities on the return of part of the land of the U.S. military Hialeah compound here.

In a statement of protest, the Citizens Committee for the Regaining of Hialeah and other Pusan lands demanded that the agreement on the relocation of part of the Hialeah facilities be nullified and that the entire land of the compound be returned without any compensation.

"It is intolerable that the city provides a substitution land and relocation expenses for the relocation of part of the Hialeah compound whose function is only to furnish billets to U.S. military personnel," the committee said.

The statement said the committee strongly condemns both the United States for "pursuing its interests only" and the Korean Government and Pusan Municipality for being "faithful more to American interests than to those of the Korean people."

ROK: Editorial Urges Government To Defend ROK Interests

SK2203120196 Seoul KYONGHYANG SINMUN in Korean 20 Mar 96 p 3

[Editorial: "Anti-U.S. Sentiment and National Interests"]

[FBIS Translated Text] Comments aggravating the sensitive aspects of ROK-U.S. relations have frequently been articulated at home and abroad and are attracting public attention. If such comments were to work towards the positive development of relations between the two countries, it would be very fortunate, but if the opposite is true, it would be unfortunate. If the latter is true, we should map out appropriate measures at an early date, since close cooperation between the ROK and the United States is an important and essential part of both our foreign policy and of the U.S. policy on East Asia.

In view of this, the contents of the U.S. Congressional Research Service[CRS]'s report draws our attention. Written by a deputy assistant secretary-level expert on Northeast Asian affairs, the report welcomes the ROK's political democratization for the moment, but expresses concern over the potential adverse effects of reforms. The following three points are of particular interest to us:

One is that it is now becoming difficult for the ROK Government to control anti-U.S. sentiment emanating from university campuses and the press; another is that with its democratization movement, the ROK's position has changed so that it is now difficult for the ROK Government to accept U.S. demands in trade and national defense which are unpopular to the ROK people, and the last is that of maintaining a hardline posture against North Korea. As a result, cooperation in policies between the ROK and the United States will be difficult.

All these three points reflect the difficulties in and the negative aspects of ROK-U.S. relations. In addition to the CRS report, a recent editorial of the ASIAN WALL STREET JOURNAL and the view of some ROK scholars have noted that the recent anti-U.S. sentiment within the ROK may threaten ROK-U.S. relations. In particular, the JOURNAL noted that the court trial of those involved in the 12 December 1979 military mutiny was only the beginning of "Korean terrorism," and went on to suggest that domestic affairs were being interfered in. Domestic scholars expressed misgivings over how the act of nakedly exposing the U.S. role in the spring of 1980 was linked to our national interests.

All these assertions severely hurt our pride. The telegrams prepared by the U.S. Embassy in late 1979, when the ROK was in the midst of great upheaval, described the ROK as "the society of garlic and pepper-eating fighters." This expression also upsets us greatly. This being the situation, it is a matter of course that we should protest such claims, because the claims are related to the dignity of the nation and the pride of the people.

Nevertheless, we need to carefully review our method of protesting so that we are prudent and refined in our approach. The method of defending national interests in an era of opening up and democracy also needs to change. At a time when sound ROK-U.S. relations are being threatened, the government should work out measures to protect both our national dignity and national interests.

ROK Studies Filing Complaint Against U.S. on Shrimp Embargo

SK2203085396 Seoul YONHAP in English 0736 GMT 22 Mar 96

[FBIS Transcribed Text] Seoul, March 22 (YONHAP) — South Korea is studying ways to file a complaint with the World Trade Organization [WTO] against the United States if it places an embargo on the importation of shrimps May 1, the Fisheries Administration said Friday.

If the U.S. Government prohibits the importation of shrimp to protect sea turtles, it violates Article 20 of the General Agreement on Tariffs and Trade, the administration said.

The GATT article says, "Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures necessary to protect human, animal or plant life or health."

Several other shrimp-exporting countries including the Philippines, Indonesia and Mexico have already decided to file a complaint with the WTO against Washington if it puts an embargo on the importation of shrimp, an administration official said.

The countries met with the United States in Geneva on March 19 to discuss on the U.S. shrimp embargo, but failed to reach an agreement, according to the official.

South Korea exported a total of 12 million dollars worth of shrimp last year to several countries, and about 1.5 million dollars worth went to the United States, according to the administration.

In the face of protests from shrimp exporters, the U.S. State Department is scheduled to make a decision March 25 on whether or not to postpone the enforcement of the embargo by three years.

The U.S. Federal Court ruled last Dec. 29 that the State Department should import shrimp into the United States from countries where they take measures to protect sea turtles, and the department notified South Korea of the ruling on Jan. 30 this year.

The ruling was based on the controversial United States endangered species act, which was enacted in 1990 to protect rare animals or plants and prohibits the importation of shrimp from countries which do not take any measures to protect sea turtles.

Sea turtles feed mainly on shrimp and so the two share the same habitat. As a result, fisherman often find turtles in their nets while shrimping.

Meanwhile, a senior administration official said that South Koreans do not catch sea turtles because they consider turtles sacred beings.

"If Koreans happen to find turtles, they set them free after making them drink Makoli or rice wine. So I don't think the U.S. environmental protectors have to worry about South Koreans catching shrimp," he said.

ROK Daily Urges 'Prudent' Diplomacy With U.S., PRC

SK2203121096 Seoul CHUNGANG ILBO in Korean 20 Mar 96 p 6

[Editorial: "ROK Diplomacy Should Now Reach Maturity"]

[FBIS Translated Text] An imminent election has always influenced foreign and domestic policies in any country. This is why important domestic or international issues are often distorted or pushed away from the public interest.

A turbulent atmosphere, which had not been seen around the Korean peninsula in the last few years, is being perceived. Nevertheless, the government seems to be insensitive toward this situation, probably because of the upcoming general elections. There are many problems that directly concern our security. They include the unstable situation of North Korea, whose collapse has even been predicted; differences between the ROK and the United States in their views of North Korea; and ROK-Japan diplomatic disputes over the Tokto issue.

In addition, the PRC military display against Taiwan is expected to have great security repercussions within the Northeast Asian boundaries. It is highly probable that it will also accentuate the regional uneasiness by prompting U.S.-PRC competitive relations and conflicts, which can already be seen, as well as an arms buildup by neighboring countries. Moreover, disappointed with the ROK, Russia, one of the four powers surrounding the Korean peninsula, is considering a pro-North Korean policy, abandoning its position of maintaining almost exclusive friendly relations with the ROK.

Under this situation, even with the forthcoming elections, the government and politicians should separate foreign issues from domestic politics to protect national security and create a basis for national reunification, and should prepare long-range external strategies and practice a prudent diplomacy so as to secure national interests.

Along these lines, Foreign Minister Kong No-myong's visit to the PRC and the United States, beginning on 20 March, is of great significance. Discussions on bilateral issues with the PRC and the United States, including tension in the Taiwan Straits and ROK-U.S. cooperation in policy making toward North Korea, have been put on the agenda in the two countries. Of course, every issue on the agenda is important. However, we think that the foreign minister's visit to the two countries should focus on making a farsighted overview of the whole environment surrounding the Korean peninsula.

At this important time, it is not desirable for us to create disharmony in our diplomatic relations with powers around the Korean peninsula, which will play a decisive role in the situational development on the peninsula. We should remember the experience of Germany, which achieved reunification by winning the neighboring powers' cooperation and support through diplomatic activities. To this end, we should recognize the situation correctly. Now, at a time in which relations among neighboring countries have a new structure of pursuing their own interests, we should not adhere to the way of thinking and behavior of the Cold-War era. A flexible and prudent diplomacy is needed.

ROK Papers View Foreign Minister Kong's Visits to PRC, U.S.

SK2203050096

[FBIS Report] The following is a compilation of two articles from ROK vernacular newspapers published on 21 March analyzing the significance of ROK Foreign Minister Kong No-myong's visits to the PRC and the United States.

HANGUK ILBO carries an 800-word article by reporter Chang Yon- chol from Beijing entitled: "Significance and Background of Foreign Minister Kong's Visits to the PRC and the United States." The article begins by saying Foreign Minister Kong will hold meetings with leaders of both countries and will "extensively discuss issues of mutual interest, such as cooperation as regards the situation on the Korean peninsula and the North Korean issue." The article reports that Foreign Minister Kong's visit to the PRC and the United States is attracting attention in relation to "how it will influence the PRC's role in future South-North relations as well as moves toward DPRK-U.S. contact, which recently have shown rapid progress." The article touches on issues discussed between Foreign Ministers Kong and Qian Qichen, noting the importance of both sides agreeing that "South-North dialogue is urgent for peace and security on the Korean peninsula." The article also quotes PRC Foreign Minister Qian Qichen's remark hinting that the PRC may actively come forward to create an atmosphere for South-North dialogue. The article notes that, in this connection, "analysis indicates there is a high possibility Foreign Minister Kong may have requested the PRC take a certain role regarding South-North dialogue." The article continues to state that during Foreign Minister Kong's visit to the United States, which will begin on 24 March, it is expected he will reveal "the ROK's full position as regards moves to improve DPRK-U.S. relations." The article concludes by noting that the result of Foreign Minister Kong's upcoming visit to the United States is attracting attention because, "following the ROK's general elections in April, the United States plans to rapidly promote pending issues which it has been delaying up until now, issues such as the DPRK- U.S. missile negotiations and the establishment of DPRK-U.S. liaison offices."

HANGYORE SINMUN carries an 800-word article by reporter Kang Tae- ho from Beijing entitled: "The Significance of Foreign Minister Kong's Consecutive Visits to the PRC and the United States." The article begins by saying there will be no "hot pending issues" to discuss during the ROK-PRC and ROK-U.S. foreign ministers meeting, noting that Foreign Minister Kong's meeting with Qian Qichen will be the third in the past two months. The article notes that Foreign Minister Kong's visit to the PRC is "a courtesy visit" following his appointment as foreign minister. The article touches on a plan by the four major powers—the PRC, the United States, Japan, and Russia—to hold meetings with each other, saying this will bring vitality to the discussions to reorganize the Northeast Asia order, which is currently at a stalemate. The article states that the ROK- PRC foreign ministers meeting will be an opportunity to develop relations between the two countries into an expanded cooperative relationship. The article also notes the upcoming ROK-U.S. foreign ministers talks, in which they will discuss how to link the improvement of DPRK-U.S. relations with the resumption of South- North dialogue. Stating that no visible results will be brought about in the upcoming talks, the article presents the general viewpoint that more concrete discussions will be made during the ROK-U.S.-Japan high-ranking consultative meeting slated for some time in April.

ROK Deputy Premier Urges 'KEDO Model' To Improve N-S Ties

SK2203052196 Seoul SEOUL SINMUN in Korean 22 Mar 96 p 3

[FBIS Translated Text] Kwon O-ki, deputy prime minister and minister of National Unification, implied on 21 March that he will actively use the Korea Peninsula Energy Development Organization [KEDO] model — KEDO is an international consortium set up to provide light-water reactors to North Korea — to improve South- North relations in the future.

On 21 March, Deputy Prime Minister Kwon held an informal session with reporters after inspecting the construction sites for the No. 3 and No. 4 Ulchin nuclear power plants and said: "The light-water reactor assistance project is a new model for South-North exchange and cooperation, and depending on changes in North Korea's attitude, this may lead to precedents for pursuing co-prosperity in other fields."

In particular, "improvement of South-North relations in accordance with the KEDO model" is different from the existing "principle of resolving issues between the concerned parties of the South and North," which implies that the South and North must be the direct parties concerned in resolving Korean Peninsula issues. Thus, attention is focused on whether the government will change its policy.

ROK's Kim Yong-sam: Seoul Ready To Cope With 'Any Contingency'

SK2203050796 Seoul YONHAP in English 0442 GMT 22 Mar 96

[FBIS Transcribed Text] Seoul, March 22 (YONHAP) — President Kim Yong-sam said Friday that the government is prepared to cope with any contingency arising from the unpredictable actions of North Korea.

At a Chongwadae [presidential offices] luncheon he hosted for 145 leading members of the Korea Disabled Veterans Organization, President Kim said, "Experts at home and abroad hold a view about North Korea's disintegration that it is only a question of when and how... the government is ready to cope with any contingency promptly."

Before the luncheon the president presented a citation to the Korea Disabled Veterans Organization.

It is essential that we consolidate our national strength for the stability and prosperity of the country, Kim said, and added that such a mobilization requires stability in all fields.

Commending disabled veterans as "patriots who have protected and saved the country in crisis with their bodies," Kim remarked, "our country owes today's prosperity and peace to the noble sacrifices made by people who have served the country with distinction, including disabled veterans."

Kim pledged to expand government support for them by saying, "All efforts will be made to help those who have rendered meritorious services to the country receive more respect and a cordial reception from the society."

ROK Pays 185.4 Billion Won in Rice Aid Costs for DPRK

SK2203055296 Seoul SEOUL SINMUN in Korean 22 Mar 96 p 2

[FBIS Translated Text] On 21 March, the government held its South-North Exchange Cooperative Promotion Consultation and decided, in order to cover inland transportation expenses and shipping costs, to pay the final three billion won not yet paid but originally included in the 150,000 tonnes of rice aid set aside last year for North Korea in the South-North Exchange Cooperative Fund. Thus, the government will have paid 185.4 billion won in rice aid expenses.

The expense for rice aid to the North has totalled 185.4 billion won in all, including 175.6 billion won for grain costs and 9.8 billion won for incidental expenses such as transportation, shipping, and insurance.

ROK Unification Ministry: DPRK Increases Anti-ROK Slander

SK2203090696 Seoul YONHAP in English 0709 GMT 22 Mar 96

[FBIS Transcribed Text] Seoul, March 22 (YONHAP) — North Korea is intensifying its propaganda activities against the South with only 20 days left until the April general elections.

Pyongyang has been trying to instigate the overthrow of the Seoul government, denouncing every move of the ruling party, while keeping mum about the opposition parties, according to National Unification Ministry officials.

The North Korean ruling workers party publication, NODONG SINMUN, asserted, "The regime in the South must be replaced by advanced forces," in a commentary about the upcoming general elections and presidential election next year,

Vilifying the incumbent government as "a flunkey, traitorous, confrontational anti-communist regime," the daily continued, "the South Koreans should kick out the old-fashioned and stale conservative forces that have indulged in irregulararities and corruption, and welcome forces into the political arena that are oriented toward an independent and democratic unification."

The commentary criticized the government's drive to rectify past wrongs as "a machination to divert public attention from the slush fund scandal."

"The people should pass judgement on the current regime by thoroughly investigating the presidential election campaign fund scandal through a more united and stubborn struggle, and overturn the social system of the South," the paper added.

One ministry official said that he expects the North's inflammatory rhetoric aimed at disrupting the general elections will become more virulent in the weeks to come.

"In addition to such psychological warfare, it is possibile that the North Koreans will resort to limited provocations in an effort to create confusion," the official said.

ROK: Seoul Asks PRC To Aid in Resumption of N-S Talks

SK2203083096 Seoul YONHAP in English
0814 GMT 22 Mar 96

[FBIS Transcribed Text] Beijing, March 22 (YONHAP) — South Korea has asked China to act as a mediator in resuming inter-Korean dialogue, which has been suspended since the death of North Korean leader Kim Il-song in 1994.

Visiting South Korean Foreign Minister Kong No-myong made the request when he paid a call on Chinese President Jiang Zemin at his office Friday morning, ministry spokesman So Dae-won said.

Kong expressed concern about Pyongyang's effort to conclude a temporary peace treaty with Washington, saying North Korea intends to neutralize the 1953 Armistice Agreement that ended the Korean war and exclude Seoul from international talks to establish a peace regime on the Korean peninsula.

The foreign minister then asked Beijing to persuade Pyongyang to resume inter-Korean dialogue.

Jiang responded by stressing the importance of peace and stability on the Korean peninsula to the region. He expressed his hope to hold international meetings on establishing a peace regime on the peninsula, with both Koreas and other relevant nations participating.

Kong also voiced concern about the tensions hovering over the Taiwan Strait, conveying Seoul's hope that the matter is settled peacefully.

Jiang said Beijing is ready for dialogue with Taipei if Taiwan stops trying to declare its independence from China.

Kong asked that Beijing increase its active cooperation for joint projects between the two nations, such as medium-sized aircraft production, and for South Korea's bid to host the 2002 world cup soccer finals.

The president then chatted with the foreign minister on the soccer match between South Korea and China in Malaysia Thursday night.

The meeting, originally scheduled for 40 minutes, went on for 70 minutes because of the friendly atmosphere.

Kong will leave for the United States Sunday morning.

ROK: Daewoo Joins Cellular Phone Market in PRC Province

SK2103042996 Seoul THE KOREA HERALD
in English 21 Mar 96 p 8

[FBIS Transcribed Text] The Daewoo Business Group has entered the digital cellular service market in China's Heilongjiang Province.

"Under a bilateral accord signed between Daewoo Corp.'s telecom business division and the China United Telecommunications Corp. yesterday, the Daewoo Group will build about 15,000 cellular-call circuits in Heilongjiang Province's 10 major cities by the end of this year at a cost of $15 million and then transfer GSM (global system for mobile communications) technologies to the Chinese side," said a group spokesman.

Heilongjiang, a northeastern Chinese province which has a population of 37 million plans to invest a total of $500 million over the strategies in the developing countries, FKI [Federation of Korean Industries] officials said.

The federation, an interest group for large conglomerates, will sponsor the seminar on the same theme under the cosponsorship with the World Bank, they said.

ROK: Yukong's 1st Gasoline Shipment to Japan Departs

SK2103043096 Seoul THE KOREA HERALD in English 21 Mar 96 p 8

[FBIS Transcribed Text] Yukong Ltd. will ship out 34,500 barrels of gasoline as the first batch of its 175,000-bbl. export contract to Japan, at its plant in Ulsan, South Kyongsang Province, today.

The nation's first gasoline shipment to Japan will depart from the southeastern port early this morning and arrive at Japan's Yokohama after 60 hours of sailing on a Chinese carrier, company officials.

Besides the gasoline exports valued at $4 million, Yukong, the nation's largest refiner, will export 703,000 barrels of petroleum products, including diesel and kerosene, this year, they said.

Because gasoline prices in Japan are 50 percent higher than in Korea, the company believes the exports will have sufficient price competitiveness.

"We hope that the exports will open the way to overseas markets for the Korean petroleum industry, which has been staging cutthroat competition due to a massive capacity buildup," said a Yukong official.

ROK: Russian Customs Committee Delegation Arrives

SK2103054496 Seoul YONHAP in English 0516 GMT 21 Mar 96

[FBIS Transcribed Text] Seoul, March 21 (YONHAP) — A Russian Customs Committee delegation arrived in Seoul Wednesday to participate in a conference on customs cooperation between South Korea and Russia slated for Friday and Saturday, the Russian Embassy here said Thursday.

The conference is the fourth of its kind and will focus on drug trafficking control, improving customs service and the reconciliation of discrepancy in trade statistics, the embassy said.

Delegation members will meet Deputy Commissioner Kim Kyong-u of the Korea Customs Service and other government officials.

ROK, Russia Sign Accord on Illegal Narcotics Trafficking

SK2203004796 Seoul THE KOREA TIMES in English 22 Mar 96 p 9

[FBIS Transcribed Text] Korea and Russia yesterday signed a memorandum of understanding to crack down on illegal trafficking of narcotics and psychotropic substances between the two countries.

The accord was made between Kim Kyong-u, deputy commissioner of the Korea Customs Service [KCS] and his Russian counterpart V.F. Krouglikov in Seoul, the KCS said.

ROK Bans Imports of British Beef Due to Cattle Disease

SK2203122396 Seoul YONHAP in English 1217 GMT 22 Mar 96

[FBIS Transcribed Text] Seoul, March 22 (YONHAP) — The government on Friday decided to prohibit the importation of any British-produced beef and cattle bone powder due to the spread of bovine rabies in Europe.

An official at the Agriculture, Forestry and Fisheries Ministry said no British beef and cattle bone powder have been imported thus far because of the lack of their competitiveness.

"But, we have notified the British Embassy here of the decision not to permit the imports of British beef and bone powder until details of the spreading bovine rabies are learned so as to prepare against their possible imports," he said.

A total of 156,904 heads of cattle are known to have been stricken by the cattle disease in Britain since 1987, 25,415 heads alone last year.

So far this year, South Korea imported 37,365 tons of beef and 183 tons of cattle bone powder, the former from the United States, Australia, New Zealand and Canada, and the latter from Russia, France and Bangladesh.

ROK: Indian Ambassador Discusses Indian-ROK Trade Goals

SK2203104696 Seoul YONHAP in English 0827 GMT 22 Mar 96

[FBIS Transcribed Text] Seoul, March 22 (YONHAP) — Indian Ambassador to Seoul Shashank said Friday that the bilateral trade and investment targets for the year 2000 pushed for by President Kim Yong-sam and Indian Prime Minister P.V. Narasimha Rao during Kim's recent trip to India are "ambitious but attainable."

"The buoyancy being shown by exports of both countries on a global basis gives us reason for optimism in achieving the objective," he said in an interview with YONHAP News Agency.

Two-way trade between South Korea and the world's second most populous nation stood at 1.75 billion U.S. dollars last year, and both Kim and Rao have agreed to try to increase that figure to 5 billion dollars and bilateral investment to 3 billion dollars by 2000.

"It would require sustained efforts of both government and businesses of the two countries to expand and diversify trade," he added.

In an effort to develop India's infrastructure, the ambassador said his nation hopes to induce investments in power, telecommunications, roads, ports, bridges and highways from South Korea, currently the 11th-largest investor in India.

"Although the actual flow of direct investment from Korea is not yet so high, the announcement of intentions to invest by major companies in large projects would indicate that the private sector in Korea considers India an attractive investment destination."

Aside from Hyundai Motors Co. and Samsung Electronics Co., a number of other Korean firms have either set up operations or have announced plans to invest in India, which means South Korea could soon be one of India's top investors, he added.

He offered examples of opportunities that Korean firms may want to pursue, including the likely privatization of export processing zones by New Delhi.

On India's relations with its Pacific rim neighbors, the ambassador noted that India has been accorded full dialogue partner status by the association of southeast Asian nations, and is also seeking to join the Asia-Europe Meetings (ASEM) and the Asia-Pacific Economic Cooperation Forum.

"India's participation in future (ASEM) meetings would provide a more pan-Asian character to the participation from the region."

Both Kim's "Segyehwa" or globalization policy and Rao's "middle path policy" are similar in that they emphasize economic liberalization and a global business outlook, he said, but given that South Korea and India are both at different stages of economic development, each policy must be tailored accordingly to address each nation's specific needs.

Commenting on the immense potential of the Indian market, Shashank quoted a survey to say that more than 10 percent of his nation's middle-class, which has been estimated at between 100 million to 350 million depending on which items of consumption are used as criteria, have annual incomes of 10,000 dollars, which is on par with average income in South Korea.

"Even the lower figure offers a market size substantially greater than most nation states in the world," he said, "naturally, India represents a major market for Korean goods and services."

Heavy industry, machinery, electronics, shipping, telecommunication and services are sectors that could prove very lucrative for Korean firms in India, he added.

India would accordingly like to diversify its exports to South Korea, he said, with such new items as processed food, marine products, leather manufactures, apparel, engineering goods and chemicals.

Indian exports to South Korea, including mineral fuel, prepared animal fodder, cotton yarn, and iron and steel, totaled about 730 million dollars from January to November last year

On other ways that South Korea and India could cooperate, Shashank said he hopes for increased exchanges between the scientific and technological institutes in the two nations and environmental, energy and management training programs.

"The social sector is of paramount importance to India and we could benefit from the Korean experience," the official asserted, mentioning education, health care, gender issues and urban management as being prospective areas of bilateral collaboration.

ROK: Direct Overseas Investment Exceeds $10 Billion

SK2203090296 Seoul YONHAP in English 0650 GMT 22 Mar 96

[FBIS Transcribed Text] Seoul, March 22 (YONHAP) — The cumulative total of direct overseas investment by domestic businesses exceeded 10 billion U.S. dollars last year.

These domestic companies made a total of 5,894 direct investments worth of 11.8 billion dollars in 119 foreign countries, according to the Ministry of Trade, Industry and Energy Friday.

South Korean business investments in Asia were, for the most part, made in small- and medium-sized industries that employed the local labor force, while in North America and Europe their investments tended to be in large businesses that were seeking to participate in local markets.

Investments in manufacturing accounted for 54.5 percent of all investments, followed by those in trade with 18.4 percent and mining with 11.9 percent.

The foreign countries where direct Korean investment exceeded 300 million dollars were the United States, China, Indonesia, North Yemen, Canada, Germany, Vietnam and Malaysia.

ROK: Foreign Investors Capital Goods Rules Revised

SK2203031496 Seoul THE KOREA HERALD in English 22 Mar 96 p 8

[FBIS Transcribed Text] Foreign direct investors in Korea will be able to import additional items of capital goods, including machinery, from abroad much more easily than before.

The revised rules on alien firms' imports of foreign-made capital goods aimed at facilitating foreign direct investment here, will go into effect today, the Ministry of Trade, Industry and Energy said yesterday.

Under the new rule, foreign investors will be allowed to freely import machinery items the imports of which are that are on the government's "automatic import approval list" or items, the imports of which are deemed inevitable even if such capital goods are not directly used in manufacturing processes. [sentence as published]

Currently, machinery that are not essential for manufacturing process are allowed to import only when they cannot be supplied by local makers.

The new rule is a departure from the previous policy that encouraged foreign investors to put priority of purchase on locally- supplied capital goods, ministry officials said. Such shift in policy is expected to trigger the influx of foreign machinery here, they added.

It also will approve in principle all imports of secondhand foreign-made machinery whether there are local substitutes or not, only if they are directly involved in the manufacturing process.

For the imports in seven industrial sectors that require high technology, the ministry will provide tariff cut favors even when they are not directly needed for manufacturing, the officials said. The seven industries are electric-electronic-information; precision machinery-new process; materials-components; new materials- biological industry; optical-medical equipment; aviation- transportation; and environment-energy-construction.

It will also relegate the administration on screening and confirming the need for the imports of used foreign machinery to the foreign exchange banks of alien investors.

As the foreign exchange banks with which the foreigners have registered their investments will screen and determine the machinery imports, they will be able to introduce essential secondhand machinery with greater ease than before, the officials said.

The only exception will be the capital goods which enjoy the government's tax exemption and reduction benefits upon importation, they said, adding that the ministry will continue to exercise administrative authority on such items.

ROK Assembly Decides To Send Delegation to IPU Meeting

SK2103124096 Seoul YONHAP in English 1126 GMT 21 Mar 96

[FBIS Transcribed Text] Seoul, March 21 (YONHAP) — The National Assembly on Thursday decided to send an eight-man delegation to the 95th meeting of the Inter-Parliamentary Union (IPU) set to be held for one week beginning April 15 in Istanbul, Turkey.

The delegation will be headed by Rep. Chong Chae-mun, former chairman of the Assembly Unification and Foreign Affairs Committee.

Seven other delegates will be Reps. Chong Yong-hun, Kang In-sop and Chong Ok-sun of the ruling New Korea Party: O Tan and Pak Chong-su of the National Conference for New Politics: Yi Chol of the Democratic Party: and Yi Yong-chun of the United Liberal Democrats.

ROK Government Urged To Reevaluate Denuclearization Policy

SK2203050996 Seoul CHOSON ILBO in Korean 21 Mar 96 p 5

[Commentary by Professor Yi Sang-ton of Chungang University: "Have We Abandoned Our Nuclear Technology?"]

[FBIS Summary] In November 1991, President No Tae-u declared the denuclearization of the Korean peninsula. In January 1996, President Kim Yong-sam transferred the business of disposing of radioactive nuclear waste, which the Korea Atomic Energy Research Institute had been in charge of, to the Korea Electric Power Corporation. Though these two events "appear to have nothing in common with each other," they are "correlated in the important policy making on reprocessing spent nuclear fuel."

The ROK has concentrated great efforts on developing nuclear energy since the 1960's, "largely for national security reasons." However, following the collapse of the Soviet Union, the United States began to promote the reduction of its nuclear arms deployed overseas, and "the Korean peninsula became a target of attention because North Korea was suspected of developing nuclear weapons." Within this context, president No Tae-u declared the denuclearization of the Korean peninsula in the expectation of changes occurring in North Korea's attitude. However, the results "were far short of our expectations."

Nevertheless, upon declaring its denuclearization policy, the ROK even abandoned the reprocessing of nuclear fuel for peaceful purposes. To assure the nonproliferation of nuclear weapons, "it would have sufficed if we submitted ourselves to nuclear inspections by the International Atomic Energy Agency." However, our government "voluntarily gave up all reprocessing of nuclear fuel, including that for peaceful purposes, with no consideration given to the possible influence of this decision on the ROK's nuclear policy."

Furthermore, the decision by the Kim Yong-sam government to assign the radioactive nuclear waste disposal business to the Korea Electric Power Corporation "is tantamount to signing a memorandum on perpetually and completely abandoning nuclear reprocessing for peaceful purposes."

Since the core problem concerns taking measures for preserving spent nuclear fuel and reprocessing it later, it is "not appropriate" to entrust this matter to a power generating company. In fact, even after the denuclearization policy was adopted in 1991, the Korea Atomic Energy Research Institute "planned to build its own disposal plant for preserving spent nuclear fuel and for promoting a reprocessing project later, if the situation changes." This "was taken for granted" in light of the fact that the nuclear powers were promoting nuclear fuel reprocessing.

While transferring the nuclear waste disposal business to a power generating company, the government made no mention of spent nuclear fuel. Thus, the government policy "is completely in a vacuum" as far as spent nuclear fuel is concerned, and "this is construed as the retrogression, or the end of, our self-reliant nuclear technology." In light of the significance of spent nuclear fuel in our national security policy, this is also "an irresponsible action that completely disregards long-range national policy."

The government disregarded "aspects of its nuclear policy" when declaring the denuclearization policy in 1991, and disregarded "aspects of its security policy" when deciding to transfer the nuclear waste disposal business. However, the background for these polices has changed. North Korea has accepted the supply of light- water reactors; the collapse of North Korea is predicted; and the PRC, which "has grown into a military power," is threatening Taiwan with missiles. In view of these changes in the security situation around us, "there is some reason to demand the reevaluation of the government's policy" by with which it abandoned the reprocessing of spent nuclear fuel for peaceful purposes. Nuclear policy makers within the government "should present a clear answer to the reprocessing question" to "fundamentally clear up such disorders in making policies."

ROK Elected to International Seabed Authority Board

SK2203023896 Seoul THE KOREA HERALD in English 22 Mar 96 p 2

[FBIS Transcribed Text] South Korea has been elected to the 36-member executive board of the International Seabed Authority, the Foreign Ministry said yesterday.

South Korea was one of the nine Asian countries chosen as a board member at a vote during a general meeting of the body, which opened its 12-day session March 11 in the Jamaican capital of Kingston.

ROK: Kim Yong-Sam on Presidential Candidate Qualifications

SK2203033396 Seoul THE KOREA HERALD in English 22 Mar 96 p 2

[FBIS Transcribed Text] President Kim Yong-sam has said that his successor as President should have leadership strong enough to manage the process of reunification with North Korea.

In an interview to be published today, Kim also set a firm belief in national unification, high morality and reform-mindedness as the important personal qualifications of whoever will be succeeding him in February of 1998.

"The next President should be capable of achieving the historic mission of developing our country into a first-class nation in the world and leading the new era of a unified Korea," Kim said in an interview with MAEIL KYONGJE SINMUN.

It is not new for President Kim to cite strong leadership as a primary qualification of the next President, but it marked the first time that he has made references to "a process of reunification with North Korea."

Kim has recently said that the North suffering from acute economic plights and severe food and energy shortages, appears to be a "disabled aircraft in midair."

"No one (in the world) sees hope in the future of North Korea," he said in an address to the National Police Academy Monday.

Kim said that the next President should also be armed with vision, knowledge and judgment so that he can lead the country into a first-rate class of nations in the 21st century.

Selection of the next presidential candidate of Kim's New Korea Party (NKP) is a sensitive issue inside the ruling party, a coalition of different political factions.

Kim, except referring to individual qualifications for becoming President, has kept silent on the issue, apparently not wishing to become an early lame duck as President and chief of the ruling party.

The now dormant issue of selecting the next presidential candidate and who will earn the President's blessing have become complicated further since popular former Prime Minister Yi Hoe-chang and another political heavyweight, former legislator Pak Chan-chong, joined the NKP.

Both Yi and Pak were recruited by President Kim as part of his effort to win over the tough opposition challenges expected at the general elections in April.

Kim, in the interview with MAEIL KYONGJE SINMUN appealed to the people to give his NKP a majority of seats on the National Assembly, reiterating his call for maintaining stability.

"Without political stability, we cannot achieve social and economic stability either," said Kim. The NKP is expected to wage an uphill battle against the opposition in the parliamentary elections.

ROK: Prosecution Summons Ex-Presidential Aide Chang

SK2203025396 Seoul THE KOREA HERALD in English 22 Mar 96 p 1

[FBIS Transcribed Excerpt] President Kim Yong-sam yesterday accepted a letter of resignation from his chief personal assistant, Chang Hak-no, who is under suspicion of corruption.

Chang's resignation followed an accusation by the main opposition National Congress for New Politics, which claimed he has hidden a large amount of money in the names of a woman he is living with and her brothers.

Prosecutors summoned Chang for questioning last night. Earlier in the day, President Kim ordered the Prosecutor-General's Office to conduct a thorough investigation into Chang's case and arrest him if it obtains evidence against him.

The scandal, which surfaced less than three weeks before the general elections is expected to deal a blow to the ruling New Korea Party in the elections.

The New Korea Party offered an apology to the public for Chang's implication in the scandal and urged opposition parties not to exploit it to their political advantage.

A presidential aide said President Kim will not tolerate any corruption implicating his relatives or secretaries as he has repeatedly vowed in the past.

Recalling President Kim pledged not to accept even a penny from corporations, Mun Chong-su, senior presidential secretary for civil and judiciary affairs, said, "President Kim ordered the Central Investigative Bureau of the Prosecutor-General's Office to conduct a thorough investigation into suspicions against Chang."

Mun said he expects the prosecution to announce the outcome of its investigation at an early date. He said there will be no attempt to cover up Chang's scandal.

But he added he still has the right to protect his privacy from unlawful intrusion. [passage omitted]

ROK Daily Views Allegations Regarding Chang Hak-no

SK2203021896 (Internet) The Digital Chosun Ilbo WWW in English GMT 1201 21 Mar 96

[Editorial: "A President's Man Falls Under Suspicion"]

[FBIS Transcribed Text] The accuracy of allegations by the National Congress for New Politics [NCNP] as to the illicit amassing of money by Blue House official Chang Hak-no is still indeterminate. At first the Blue House exhorted that the allegations by the NCNP that Chang had siphoned off some 3.7 billion won be disregarded as crude political slander but the fact that the government suddenly, in an apparent about-face turn, summarily dismissed Chang and launched a serious investigation into the matter hints that the allegations may not be without foundation. As President Kim Yong-sam has put the matter directly into the hands of the prosecutors it is reasonable to anticipate that a thorough investigations of the allegations will be carried out, however one hopes the prosecutors do indeed act prudently and prevent their investigation from becoming one of "cover up" or "amelioration" as has frequently occurred in the past in relation to matters of alleged political corruption. The conducting of a full and frank investigation is necessary not only to uphold the honour of the prosecutors but to regain the confidence of the Blue House.

It is vital that the prosecutors quickly determine the veracity or otherwise of the allegation against Chang and identify the sources of any illegally acquired funds. They must also proffer an explanation as to how Chang was able to pay some 500 million won to his ex-wife upon divorce. In carrying out their investigations, prosecutors must be mindful of the fact that the claims made against Chang relate to actions which, if true, would have taken place while the government was itself instituting a process of reform and higher integrity law enforcement.

Immediately after his inauguration, President Kim stated that he "would not while serving in office accept a single penny from business". There are many rumours that suggest that, as ever before, those working for Kim have continued to receive moneys but these rumours are unsupported. In this case, however, the rumours circulating surrounding the activities of Chang are supported and the fact that he was a very close colleague of the country's most reformist President to date makes the shock ever so more resounding.

The President's aides play a very significant role that complements that of the President himself. These people are not merely servants rather at times they have the power to sway the President in his running of the country and in this regard it is natural that money from time to time comes their way. If one of the President's men cannot resist the temptation of accepting money for favours then disgrace falls upon not the person concerned but the President himself. For this reason the seriousness of this incident is ever so greater. If the allegations against Chang are proven to be well-founded then the prosecutors must take pains to quickly identify the businesses which passed moneys and pinpoint those who requested favours. They must also determine whether or not Chang's impropriety led to the tainting of any government policy of national projects. If the government is unable to alleviate the national discredit it has brought upon itself, then there is a risk that the reformist practices that the government has been continually pursuing will come to nothing.

ROK: Former Presidential Aide Denies Involvement in Scandal

SK2103123996 Seoul YONHAP in English 1003 GMT 21 Mar 96

[FBIS Transcribed Text] Seoul, March 21 (YONHAP) — Chang Hak-no, a Chongwadae [presidential offices] official who has tendered resignation in a scandal over his woman's fortune, claimed Thursday afternoon he has nothing to do with her properties.

"I am not aware of, or in a position to step in, changes in my woman's properties," Chang said.

In a letter of clarification, Chang said it is true he has been living together with Kim Mi-cha since 1990, but things about her personal properties and those of her brothers are none of his business.

"But, I took this occasion to find out that my live-in woman had built a fortune of about 1,770 million won in the past seven years by running a tea room, a restaurant and a coffee shop," he said.

Meanwhile, the Seoul District Prosecutor's Office has launched a probe into the opposition National Conference for New Politics's claim that Chang had concealed his properties totaling 3.7 billion won.

The prosecution is expected to call in Chang and his live-in woman Thursday evening at the earliest to find out who owns the properties at issue and where the money used in obtaining the real estates came from.

ROK Official on Small, Medium Business Administration

SK2103043396 Seoul THE KOREA TIMES in English 21 Mar 96 p 8

[FBIS Transcribed Text] The Small and Medium Business Administration (SMBA) has devised concrete and comprehensive measures aimed at helping small companies help themselves, according to the man in charge of the agency.

In a meeting at Chongwadae yesterday, Small and Medium Business Administrator Yi U-yong said one of the measures is aimed at providing education programs for top managers of small companies.

"Both executives and employees of small companies will have opportunities to learn about new management and production techniques that will enable them to come up with innovative ideas and help their firms regain their competitiveness in world markets," he told heads of related government agencies.

The Small and Medium Business Administration was inaugurated last month under an order from President Kim Yong-sam to help ailing small companies.

Yi said one of the focuses of the new agency is to provide the tools for small firms to acquire new technologies.

"At the same time, we are committed to playing our role as a service group rather than one which makes sure that everyone abides by regulations," said Yi who was previously president of the Industrial Bank of Korea.

By training all agency officials as consultants, they will be sent to small companies on a daily basis to help them find solutions to their problems.

Yi added that the new facility for providing a place for small companies to experiment with factory automation will be completed at the end of this month.

Already, the administration has introduced a number of measures to assist small companies in regaining their competitive edge by extending professional advice and loans.

Yi explained, "We have been flooded with request for assistance in a wide range of areas, the most immediate of which is concerned with the availability of loans for operation and facilities investment.

On an ongoing basis, he said, the administration will work to ease regulations that impede the progress of small enterprises.

Burma

Burma: NLD Officer Explains Sentencing of Mandalay Comedians

BK2103130796 London BBC in Burmese to Burma 1345 GMT 20 Mar 96

[Commentary by Daw Kyi Kyi May—passages within quotation marks recorded]

[FBIS Translated Excerpt] Comedian U Pa Pa Lay and three of his associates have been given seven-year prison sentences after being arrested and charged upon their return to Mandalay from Rangoon. They were accused of making fun of the military government at an entertainment program held on the Independence Day—4 January—at the compound of Daw Aung San Suu Kyi's residence. U Win Htein, NLD [National League for Democracy] internal liaison officer, explained the case today as follows:

"NLD members and their attorneys in Mandalay went to the courtroom on 18 March to attend the trial of U Pa Pa Lay, U Lu Zaw, U Htway, and U Aung Soe, but they found the courtroom was closed. They inquired but were unable to learn the reason for the closure. It was learned later that authorities had brought a judge and an attorney representing the government to the prison, and the case of U Pa Pa Lay and U Lu Zaw was tried at the prison. During the evening, it was learned that all four had been given seven-year prison sentences."

On their way back from Mandalay after attending to the case, some NLD members were involved in a car accident on Toungoo Road. U Win Htein reports following:

"Four members of the NLD advance team went to Mandalay in two cars prior to Aung San Suu Kyi's planned trip to Mandalay. They returned when Aung San Suu Kyi was unable to go. At approximately 0300, their car hit a trishaw in Kyungon, upon entering Toungoo. The three persons in the trishaw — two passengers and the driver — were not seriously injured because the car was not speeding. One of them dislocated a thumb, and another received two stitches on the chin. The NLD members sent them to the hospital and reported to the local police station. Due to pressure, the police at first said they had been instructed to arrest all four persons, but the police apparently acted in accordance with the law in releasing three of them and detaining one.

"The NLD members in Toungoo hired a lawyer for the case, but the lawyer later said on Sunday evening that he would not be able to handle the case. It was apparent the lawyer was under pressure not to take the case. NLD lawyers and members inquired on Monday about the case. At first there were indications that the case would be submitted to a court in Toungoo, and U Saw Hlaing remained in Toungoo. They later took U Saw Hlaing away, and no one knew his whereabouts. The NLD members went to Kyungon and asked those involved in the accident whether the case has been tried in Kyungon. The authorities said the case was not tried. It was apparently a lie. Our group believed them and waited at the court in Toungoo. There were no developments. The judge and his team returned between 1700 and 1800 and informed us that a five-year sentence had been given to U Saw Hlaing after he was tried under detention at the police station. That is what we have learned."

Asked whether there is a plan to appeal, U Win Htein said the following:

"We plan to appeal this case, as well as the case in Mandalay. An appeal will be made, but it will not make much difference. In the case of the car accident, the three persons involved in the car accident in Toungoo were not seriously injured, and they are still kept in the hospital with instructions from the authorities that they cannot be discharged until they are permitted by the doctors concerned. It appears that the case is being exaggerated." [passage on statement by London-based Human Rights Watch Asia on the case omitted]

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Minister Views Cooperation To Help Bosnia, Palestine

BK2203110096 Kuala Lumpur BERITA HARIAN in Malay 20 Mar 96 p 2

[Unattributed report]

[FBIS Translated Excerpt] Kuala Lumpur, Tuesday — Malaysia and Japan agreed to cooperate on the reconstruction of Bosnia- Herzegovina and the Palestinian autonomous region in the West Bank and the Gaza Strip.

Foreign Minister Datuk Abdullah Ahmad Badawi said the private sector should implement joint cooperation initiated by the two countries' governments.

He said he had held talks with his Japanese counterpart Yohei Kono last year and urged the Japanese Government to participate in a reconstruction program for the two regions.

Speaking after officially opening a symposium on the strategy on foreign investment, trade, and finance here today, he said: "I recently held a follow-up discussion with the Japanese ambassador on implementing such cooperation with assistance from the private sector of the two countries.

"Such a joint effort will provide an opportunity for Japan to extend financial and technological assistance to the two countries. It is now up to the private sector to implement the cooperation," he said. [passage omitted on details of symposium]

Malaysia: Defense Minister on Settlement of Islands Dispute

BK2103133196 Kuala Lumpur BERITA HARIAN in Malay 21 Mar 96 p 1

[FBIS Translated Excerpt] Kuala Lumpur, Tuesday — Malaysia today stressed that the overlapping claims by Malaysia and Indonesia on the Sipadan and Ligitan Islands should not be turned into a cause for confrontation or an issue for an open debate.

Defense Minister Datuk Syed Hamid Albar reasoned that such a step would force the two countries to be trapped in a prolonged conflict.

However, he stated that: the two countries preferred to hold discussions at the diplomatic level in an effort to find an amicable solution of the matter.

Speaking here today, he said: "The dispute was put up for negotiations through diplomatic channels and it would not be appropriate for such an issue to be transformed into a confrontation or an open debate."

He was commenting on the remarks made by Utoyo Usman, Indonesian minister of justice, who stated that the republic planned to incorporate the disputed Ligitan and Sipadan Islands, claimed by Malaysia and Indonesia, in the official map of Indonesia.

Indonesia and Malaysia have overlapping claims on the two disputed islands, which are situated off the coast of the border area between Sarawak and the Indonesian province of East Kalimantan.

ANTARA, quoting Usman's statement to parliament yesterday, stated: "The Sipadan and Ligitan Islands have been incorporated in the map of Indonesia, which is in process of being completed."

Syed Hamid said Malaysia should not be unduly concerned over the statement because a discussion at the diplomatic level was considered more important in efforts to settle the issue.

He said in accordance with the spirit of ASEAN, we hold negotiations as a means of resolving any issue so that a concrete settlement can be achieved," he said.

"So give us a chance to try to resolve the issue through negotiations and if they end in stalemate, then we have to settle it through legal channels." [passage omitted]

Syed Hamid said that Malaysia's stance on this issue is very clear. The two sides have to produce evidence of their territorial claims.

"If Indonesia wants a third party, we can suggest arbitration through the International Court of Justice (ICJ). This is one of the best mechanisms for settling the dispute, " he said.

Malaysia: Boat People Given More Time for Voluntary Repatriation

BK2103144096 Kuala Lumpur NEW STRAITS TIMES in English 20 Mar 96 p 2

[Report by Tony Emmanuel]

[FBIS Transcribed Text] Kuala Lumpur, Tues — The United Nations has extended last Friday's deadline for Vietnamese illegal immigrants at Sungai Besi transit camp to sign up under the Voluntary Repatriation Programme [VOLREP], according to a top official here.

The United Nations High Commission for Refugees' [UNHCR] representative for Malaysia, Brunei and Singapore Erica Feller said today the world body had instructed that all efforts must be made to persuade the Vietnamese to sign up under the VOLREP.

"We want the 3,383 Vietnamese to return to their country before the June 30 deadline for the closure of the camp," she said.

Feller said the Task Force on Vietnamese Illegal Immigrants which comes under the purview of the National Security Council [NSC] in the Prime Minister's Department had been informed of the UNHCR's decision.

The decision was made at the UNHCR's steering committee meeting in Geneva last week.

Early this month, the NSC announced the last batch of 3,000-odd Vietnamese illegal immigrants would be sent back home either by air or sea by May.

Its director-general Datuk Jaafar Ismail, had said those who were accepted under VOLREP before March 15 would go home by air while the others would fall under the Orderly Repatriation Programme [ORP].

The guidelines for the ORP were agreed upon during a two-day Informal Steering Committee Meeting on Indochinese Immigrants in Bangkok last January.

This afternoon, 184 Vietnamese returned on voluntary repatriation flights bound for Ho Chi Minh city.

The two Vietnam Air aircraft which left the Sultan Abdul Aziz Shah airport in Subang was the sixth such departure this year.

Since the voluntary repatriation programme began in 1989, 5,906 Vietnamese boat people have returned to their country.

The VOLREP programme is administered and fully funded by the UNHCR.

It is carried out in accordance with the terms of the internationally agreed Comprehensive Plan of Action [CPA] for Vietnamese boat people.

The CPA stipulates that Vietnamese boat people not classified as refugees must return, preferably voluntarily, to Vietnam.

Malaysia: Singapore Defense Minister Briefed on MAS' Activities

BK2103130596 Kuala Lumpur Voice of Malaysia in English 0800 GMT 21 Mar 96

[FBIS Transcribed Text] Malaysia Airlines, MAS, is acquiring a Boeing B-777 flight simulator costing 65 million ringgit in preparation for the introduction of the aircraft in the airline's fleet.

MAS deputy chairman Datuk Sulaiman Sujak says B-777 aircraft will enter service with the airline next year. He was briefing Singapore Deputy Prime Minister Dr. Tony Tan Keng Yam who visited the MAS Flight Training Center in Subang.

Sulaiman said the flight simulators at the center catered not only for the training needs of 1,100 MAS pilots, but also by pilots from 15 other organizations, including the Singapore Air Force (SAF).

Malaysia: Defense Minister, Singapore Counterpart Discuss Cooperation

BK2103144296 Kuala Lumpur NEW STRAITS TIMES in English 20 Mar 96 p 2

[Report by M. Jeffri Razali]

[FBIS Transcribed Text] Kuala Lumpur, Tues — Malaysia and Singapore have, in principal, agreed to embark on a joint-venture project to locally produce the 12.7mm general purpose machine gun ammunition.

The ammunition is being produced in the republic by Chartered Industries of Singapore, the Singapore Government-owned group of companies involved in defence production.

It is understood that SME Ordnance Sdn Bhd may become the joint- venture partner to produce the ammunition here.

Announcing this today, Defence Minister Datuk Syed Hamid Albar said the joint venture was one of the projects identified by the Malaysia-Singapore Defence Forum's Joint Committee on Defence Industry at the forum in the republic last year.

He said the proposal was officially endorsed during the second forum held at the Defence Ministry at Jalan Padang Tembak today.

He was speaking at a joint Press conference with his Singapore counterpart, Dr. Tony Tan Keng Yam, at the ministry after the forum.

Syed Hamid said the forum also decided to defer the proposal to jointly produce the 30mm cannon until the ammunition project had started operations.

During the 90-minute discussion, both parties agreed to actively consider the use of each country's military training facilities.

Tan, who is also Singapore's Deputy Prime Minister said, one area was in pilot training.

"We have the flight simulator for C-130 Hercules transport aircraft in Singapore and Malaysia has the facility to train Fokker F-50 pilots."

"We can use these facilities to train our pilots," said Tan, adding it would cut training costs and strengthen bilateral military ties.

Tan said today's forum also passed a resolution to further strengthen the ties between the two countries through more co- operation in military exercises, training, exchange of personnel and joint ventures in the defence industry.

The forum was the brainchild of former Defence Minister Datuk Sri Najib Tun Razak.

Malaysia: Egyptian Foreign Minister Calls On Mahathir, Ends Visit

BK2103091696 Kuala Lumpur RTM Television Network 1 in Malay 0530 GMT 21 Mar 96

[FBIS Translated Text] Egyptian Foreign Minister 'Amr Musa called on Prime Minister Datuk Sri Dr. Mahathir Mohamed in Kuala Lumpur this morning. Foreign Minister Datuk Abdullah Ahmad Badawi and Eygption Ambassador to Malaysia Mohammad Amin Jabr were also present at the meeting. On the occasion, he conveyed Egyptian President Husni Mubarak's message calling for the enhancement of bilateral ties, especially economic ones, between Cairo and Kuala Lumpur.

'Amr is in Malaysia for a three-day state visit.

[Begin Abdullah recording] He has conveyed a message from President Husni Mubarak and has also said that Egypt expects to further expand bilateral cooperation in the economic and development fields. This is because so far Kuala Lumpur and Cairo have only paid attention to political and cultural ties. [end recording]

Datuk Abdullah said that Dr. Mahathir and his visitor had discussed the image of Muslim countries, which was often linked to acts of extreme and terrorism. Dr. Mahathir hoped that this negative image could be wiped out through cooperation among all Muslim countries.

Later, 'Amr Musa concluded his three-day visit to Malaysia. He and members of his entourage left for Bangkok via Sultan Abdul Aziz Shah International Airport, Subang, at noon today.

Malaysia: Opposition Party Leader Comments on Alliance, UMNO

BK2103080096 Kuala Lumpur NEW STRAITS TIMES in English 18 Mar 96 p 6

[Unattributed report]

[FBIS Transcribed Text] Johor Baru, Sun. — Semangat 46 [Spirit of 1946 Party] President Tengku Razaleigh Hamzah said his party's alliance with PAS [Pan Malaysia Islamic Party] in Kelantan was "all well and proper" and there was no reason for the party to consider backing out of the alliance.

He said while it was true that certain regional heads of Semangat 46 in Kelantan had brought up some issues against PAS in recent months, the alliance on the whole was not affected.

Commenting on the present situation within Semangat 46, Razaleigh said: "Besides the usual ups and downs of politics, Semangat 46 is still very much alive and thriving."

Speaking at a Hari Raya [Islamic religious holiday] open house celebration organised by the Johor Semangat 46 branch here yesterday, Razaleigh said UMNO [United Malays National Organization], which was presently accepted by the various races in the country, should guard against the scourge of money politics.

He claimed this was becoming a dominant feature within the party and warned UMNO that it was "going the way" of the Liberal Democratic Party of Japan, which, having been dominated by money politics, was overcome by scandals and corruption.

Razaleigh, however, accepted the fact that there was no rift in UMNO's top leadership.

"The rumour of a rift had arisen due to the actions of various supporter factions within the party who were pushing each other and trying to increase their lot."

Razaleigh said that while he was still in spirit a member of the old UMNO Party, he would not be able to say if he would actually accept an invitation to join the present UMNO.

He said it was up to the UMNO leadership to decide whether they wanted to accept him together with his ideologies of the old UMNO.

Razaleigh also laughed off a rumour that he would be offered the post of Deputy Finance Minister if he rejoined UMNO.

"They can keep all their posts to themselves as I am not interested."

"My only concern is that they take serious efforts to reunite the country's citizens and give those who are left out of the mainstream of development in the country access to equal opportunities."

Malaysia: Problems With Maintenance of Malaysia's Hawk Aircraft

96SE0046A Kuala Lumpur BERITA HARIAN in Malay 13 Feb 96 pp 1, 2

[FBIS Translated Text] Kuantan, 11 Feb—Malaysia, the first country in the region to own British-made Hawk aircraft, has been unable to make optimum use of most of the 28 fighter planes since they were bought in 1994 because of component failures.

Air Force Commander General Tan Sri Ismail Omar said that although components of the Hawk 100 and Hawk 200 planes, which use Rolls Royce Adour Mk 871 engines, are repaired in Britain, they still repeatedly fail.

Moreover, he said, repair of the components, done by their manufacturer, British Aerospace (BAE), takes a long time.

In this regard, Ismail said that the Royal Malaysian Air Force (TUDM) is working with BAE to resolve the problem through such things as modifications to the planes.

"I have been informed that almost all the Hawks at Labuan, Butterworth, and Kuantan have had component failures, which have resulted in a less than optimum level of service."

"I hope that BAE can resolve these weaknesses as quickly as possible, however, so that the planes can be used optimally," he told reporters at the TUDM base here today.

Malaysia bought ten Hawk 100's, which have two seats, and 18 Hawk 200's, which have one seat, from Britain under a 1988 memorandum of understanding involving a cost of 2.4 billion ringgit.

The package purchase included support equipment and training. The first planes arrived in June 1994, while the rest arrived in stages.

Earlier, Ismail was taken by Brigadier General Datuk Abdul Malek Shahar, chief of the TUDM Operations Staff, on a visit of more than six hours to several parts of the base, including an ordnance storage center, a radar control center, and Squadron 17.

He also spent about 30 minutes in the air in a MiG-29N piloted by Major Ackbal Abdul Samad of Squadron 17.

Ismail said that, according to a briefing he had received, Hawk aircraft at the TUDM base here are in the reduced service category because of component failures.

As for the source of the problems, he said that any system could fail.

"As an example, a component that should be in good condition for 50 hours, may be used for only ten or 20 hours because of failure.

"After it has been repaired, it fails again. Therefore, we hope that we can resolve this problem quickly and be able to use the aircraft at a maximum level," he said.

Malaysian Government Directs States To Curb Imports

96SE0046B Kuala Lumpur BERITA HARIAN in Malay 13 Feb 96 p 1

[FBIS Translated Text] Kuala Lumpur, 12 Feb—The government has directed all state governments to form special task forces to find ways to reduce imports as an effort to resolve the country's balance of payments deficit.

Deputy Prime Minister Datuk Seri Anwar Ibrahim said the task forces, which are to be chaired by chief ministers or governors, are responsible for examining proposals for imports of goods by companies and departments under their jurisdiction.

"This will enable all state governments to give priority to domestic products in order to help reduce imports."

"In this way, they will help with the handling of national deficit problems," he said at a press conference after chairing a meeting of the National Finance Council (MKN) at his office here today.

Anwar said the decision was made after noting the status of the balance of payments deficit and a proposal submitted by the Malaysian Trade Council, which is chaired by Prime Minister Datuk Seri Dr. Mahathir Mohamed.

He said the task forces will have overall control of imports, namely over the purchases of needed items, from furniture and carpeting to electronic products.

"This means that with each purchase, we will have detailed information on its cost."

"If something is imported, we need to know why and if we have an alternative domestic product," he said.

Anwar, who is also minister of finance, said that the Central Government officially issued the instructions in the meeting today and that state governments are responsible to set up task forces as quickly as possible.

During the meeting, Anwar also reminded chief ministers, governors, and state government officials about the regulations and financial rules that have been laid down and that states should take criticisms from the auditor-general seriously.

He said that this action has been taken because he has received warnings, especially about negligence by departments or companies under state governments and about actions taken by them that were not in accordance with published instructions.

Anwar said that in an auditor-general report soon to be announced to the public he finds that state governments have made mistakes.

"I emphasize that no one should wait for the report to come out before taking action, because firm steps must be taken immediately. We must not be negligent in this matter," he said.

He said that although these problems are not yet widespread, they cannot be allowed to continue.

In addition, he said, there are state governments that do not present financial statements to their state legislatures, which is a violation of law.

In reply to a question whether the government will take more action to control the balance of payments deficit, Anwar said the government is realistic in this matter.

Singapore

Singapore: Imports of British Beef Suspended

BK2203115896 Singapore Radio Corporation of Singapore in English 1000 GMT 22 Mar 96

[FBIS Transcribed Text] The Primary Production Department has suspended British beef imports in a move to prevent the mad cow disease from getting to Singapore.

The disease known as Bovine Spongiform Encephalopathy [BSE] affects cattle but there are fears BSE may be linked to CJD [Creutzfeldt-Jakob Disease], a similar fatal brain disease that affects humans.

Several European countries, including France and Belgium have already banned imports of British beef.

Britain, on its part, said it will do what it needs to wipe out the disease.

This report from Mike Porter in London.

Singapore: Lee Kuan Yew Discharged, 'Most Critical Period' Over

BK2203114496 Singapore Radio Corporation of Singapore in English 1100 GMT 22 Mar 96

[FBIS Transcribed Excerpt] Senior Minister Lee Kuan Yew has been discharged from hospital. At a news conference held early today, Mr. Lee said the most critical period for his recovery is over. Wong Su Houw with more details:

[Begin Wong Su Houw recording] In his second angioplasty performed last Friday, Mr. Lee had a stent inserted into his coronary artery to keep it from narrowing. He added that his chances are much better now and his artery has only a 10 percent possibility of renarrowing. Mr. Lee said he is taking medication to prevent blood clotting and would have to avoid crowded places where he might get internal injury. He also explains how that would affect him if an election were held soon. [end recording] [passage omitted on Lee Kuan Yew's speech at ministerial forum last week]

Cambodia

Cambodia: NADK Reports on Government Troop Activities in Thailand

BK2103134096 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 20 Mar 96

[Communique issued by the National Army of Democratic Kampuchea on 20 March; place not given]

[FBIS Translated Text] Meas Sophea, deputy chief of the two-headed General Staff posted in Choam Khsan, personally said in a report to the two-headed General Staff in Phnom Penh that Thai troops had been deployed from a Thai village to Preah Vihear Temple [just inside Cambodia on the Thai border]. He added that groups of two-headed soldiers had been posted between the groups of Thai troops and that another group of two-headed soldiers had been stationed in a Thai village in order to continuously provide reports to him.

This is the information that Meas Sophea personally reported to the two-headed General Staff in Phnom Penh at 1430 on 20 March.

All in all, the Cambodian nation and people remain confident that the Thai people, the Thai Royal Government, and the Thai Army are continuing to maintain a policy of noninvolvement in the communist Vietnamese war of aggression in Cambodia. This stance has been traditionally maintained by the Royal Thai Government, the Thai Army, and the Thai people since the end of 1978.

So far, the Royal Thai Government, the Thai Army, and the Thai people still wish to see Cambodia end war, achieve national reconciliation, and recover lasting security, peace, and stability.

The Cambodian people and the Cambodian national resistance forces are constantly prepared to fight the two heads, whether they come from the front, behind, or the sides. We are ready day and night.

The two-headed forces from the 2d Division and the armed units of Preah Vihear and Siem Reap Provinces and the First Military Region in Stung Treng Province, in cooperation with a number of troops from the 911th Division, began an offensive against Preah Vihear Temple on 16 March 1996. Nevertheless, the forces were smashed and dispersed by the people and the national resistance forces. Dead, wounded, and starving enemy soldiers were found everywhere in the jungle as a result. Those in the rear were fleeing backward, while those on the front line ran forward and crossed into Thai territory at Trap Hill and Don Ai.

The people and the National Army of Democratic Kampuchea [NADK] are duty-bound to defend Preah Vihear Temple, other bases, and all Cambodian territory from capture by the communist Vietnamese puppets and communist Vietnam. In this situation, the people and the NADK have taken measures to defend themselves fully and completely by employing guerrilla and people's warfare, strategic weapons such as mines and stakes, and detonating mines and other weapons.

Cambodia: Sam Rangsi Holds Party Congress on 15 Mar

BK2103140996 Phnom Penh SAMLENG YUVEAKCHON KHMER in Cambodian 17-18 Mar 96 pp 1, 3

[Unattributed report]

[FBIS Translated Excerpt] In line with Article 15 of its statutes and Article 14 of its regulations, the Khmer

Nation Party [KNP] held its first national congress on 15 March under the chairmanship of KNP President Sam Rangsi.

Present at the congress were national and international guests, national and international press representatives, members of the KNP Steering Committee, and many observers from all the provinces and cities, totaling over 700 persons.

After the playing of the national anthem, an announcement on the number of members present, and prayers chanted by monks blessing the KNP chairmanship and members, Sam Rangsi spoke on the political situation in Cambodia and the international scene. [Passage omitted on Sam Rangsi citing king's recent statement about the future of the FUNCINPEC party, the government 's refusal to recognize the KNP, and international recognition of the KNP]

Kong Koam, KNP vice president, then spoke on the stand and strategy of the party. Kong Koam stressed the KNP's 10-point political stand and its strategy of participating in the upcoming elections of commune chiefs and then in the 1998 elections of members of parliament.

Khieu Rada, KNP secretary general, then reported on the activities launched by the KNP since its birth. [Passage omitted on details of the KNP activities and reports on addresses by some party members]

In conclusion, the congress approved a petition of the KNP Steering Committee, which:

1. Fully supports the KNP Executive Committee with Sam Rangsi as the president.

2. Fully supports the policy of the Executive Committee.
3. Fully supports all the resolutions of the Executive Committee.
4. Rejects the rebel group that has violated the statutes and regulations of the party.
5. Resolves to contribute all physical and mental strength toward the preparations for the elections in 1998 so as to obtain victory for the KNP and the entire Cambodian nation.

The congress ended in a joyous and intimate atmosphere.

Cambodia: Khmer Rouge: Bid To Capture Preah Vihear Temple Defeated

BK2103134396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 20 Mar 96

[FBIS Translated Text] The campaign against Preah Vihear Temple was a risk taken by the two heads, who are communist Vietnamese puppets, to redress their latest defeat at the end of the current 18th dry season. What happened to the campaign?

I. During the 1993-1994 dry season, the two heads — the communist Vietnamese puppets — were utterly defeated. Their forces, tanks, and cannons were destroyed in the first offensive against Anlung Veng and the campaign against Pailin.

During the 1994-1995 dry season, the two heads again suffered heavy losses: their forces, tanks, and cannons were destroyed in the second offensive against Anlung Veng. They were completely inflicted with the gravest and heaviest losses.

II. In such a situation, the alliance and communist Vietnam ordered the nation-betraying two heads to marshal forces and amass weapons to launch an offensive against Malai, which they thought was easiest to attack in order to redress their repeated defeats.

III. During the current 1995-1996 dry season, at the behest of their masters, the alliance and communist Vietnam, the traitorous two heads mounted a campaign against Malai, Pailin, and west Battambang. The motive behind their launching the offensive was that, on the one hand, they thought that the areas were easy to attack; on the other, their attacks were aimed at recapturing land and wealth according to the old saying: "Advertising the sale of tiger skin before going to shoot the tiger."

The offensives against Malai, Pailin, and west Battambang staged by the nation-betraying two heads, the out-and-out lackeys of communist Vietnam and the alliance, have now been defeated most severely. That is, many thousands of their troops were killed, wounded, or deserted, while hundreds of others were captured, war materiel was destroyed, over 20 tanks were damaged, etc.

During their campaigns, all of their leaders were sent out. Ranariddh, Hun Sen, and Ke Kimyan travelled to Battambang and up to Treng. They ordered Prum Samen, Prum Moranak, and others to go to Banteay Meanchey Province and all of the provincial army commanders to come, but they were all defeated. They suffered the most serious defeats. They conceded that they were unable to reach those areas unless attacks were directed from Thai territory. Even if they attacked from Thai territory, however, they were still defeated.

IV. The situation with regard to the 18th 1995-1996 dry season has already passed over four months. Communist Vietnam, the alliance, and the two heads met in Battambang. The commanders of the 4th Military Region, including Meas Sophea and Huot Thean, were also summoned. They met for more than 10 days to map out a plan to attack Preah Vihear Temple. They believed that their defeats could be redressed nationally and internationally if they were able to attack and retake the temple, and more money would be given to them by the long-nosed guys.

As such, the attack against Preah Vihear Temple was their last- chance plan aimed at redressing the very serious defeats they encountered in west Cambodia.

Auxiliary forces led the attack against the front of the temple. What was important was the attack against the rear of the temple by the forces that had secretly infiltrated Thai soil. They thought they would be able to attack and capture the temple swiftly. They muzzled both the Thai and international communities, and they were convinced that they could seize the temple and that nobody could do anything. So they began the plan in a wild manner. Why a wild manner? Because:

1. Route 12 was completely cut off. Those in Preah Vihear had nothing left to eat. Salt cost ten baht a kilogram.

2. Their soldiers deserted one after the other.
3. The troops of the 2d Division, as well as some from Preah Vihear and Siem Reap Provinces, were attacked by the NADK [National Army of Democratic Kampuchea] and the people at Kastuot and Cha. Hundreds of them suffered a bad attack of diarrhea after eating poisonous cassava, and they had no planes to transport those wounded by mines and stakes or the medicine to treat them. They continued, however, to take a risk by transferring some forces from Siem Reap, the Fourth Military Region, and the First Military Region in Stung Treng Province to implement the plan of attacking Preah Vihear Temple. They are wild like that.

At the beginning of the attack, while the head of the 2d Division was moving forward, we attacked and cut off its tail. Its head and tail were cut off. The division ran out of ammunition, food, and water and got lost in the jungle under the scorching sun and hot weather of between 37 and 39 degrees Celsius.

For two days, we conducted guerrilla warfare by sniping at and attacking them with stakes and mines, detonating mines, and depriving them of water. The cruel enemy forces from the 2d Division, the First Military Region, and the Siem Reap and Preah Vihear provincial armies were destroyed, wounded, killed, or forced to run for their life all over the jungle.

In the wake of their campaign between 16 and 19 March, Meas Sophea and Huot Thean, the representatives of the Phnom Penh General Staff, conceded that their forces were routed and destroyed and that their plan had totally failed.

They are now painstakingly searching for those wounded and lost in the jungle, but they do not care about those who were killed. The latter were left to become the fodder of wild pigs and various lizards.

The campaign was the last-chance bet of the nation-betraying two heads and their bosses and their latest defeat.

Indonesia

Indonesia: Government Issues Directive on Auto Industry

96SE0041A Jakarta KOMPAS in Indonesian
28 Feb 96 p 1

[FBIS Translated Text] Jakarta (KOMPAS)—Minister of Industry and Trade [MENPERINDAG] Tunky Ariwibowo acknowledged that the government has issued a new INPRES [presidential instruction] on the national automotive industry. The minister, who has technical responsibility, was not prepared to mention even a little of the content of the INPRES, however.

"The INPRES has been issued, and in the next few days I will explain it to the local and foreign press. Be patient for now, and when everything is ready, I will explain it to you," the MENPERINDAG said to reporters who stopped him after he had held a closed meeting at his office on Tuesday, 27 February, with exclusive agents of brand owners (ATPM's) of Japanese cars.

The MENPERINDAG did not specifically reply when asked to confirm that the meeting, lasting more than two hours, especially discussed the subject of the new INPRES, which reportedly provides incentives in the form of elimination of the 35 percent luxury item sales tax (PnBM) for sedans and exemption from import duties for components.

The MENPERINDAG did not rebuke members of the press, however, when they asked about the elimination of taxes, which will directly bring down selling prices. He immediately moved the focus of the questions by saying that the automotive people in the meeting were not from their association but were members of the assistance team that has been helping him since 1993.

When asked why the assistance team was made up only of ATPM's for Japanese cars, however, without the participation of ATPM's of Korean cars, which are prominent in Indonesia, the MENPERINDAG said, "I do not make an issue of makes. They are people who since 1993 have been an assistance team to help me formulate policy. I often meet with them. Thus, it was not just this one time."

In that case, asked the press, what is your response to the possibility of a 35-million-rupiah car being introduced by PT [Limited Company] Timor Putra Nasional in cooperation with the KIA automobile maker from Korea? "Oh, you're fishing again. That's enough. Just wait. Be patient."

Japanese ATPM's Tense

The closed meeting yesterday afternoon was attended by Herman Z. Latief, vice president director and chairman of GAIKINDO (Indonesian Motor Vehicle Industry Association); T.P. Rachmat, the association's president director; Bambang Trisulo, director of Daihatsu; Adirizal Nizar, technical director of Toyota Astra Motor; Alam Wiyono, marketing director of Astra; Soebronto Laras, president director of the Indomobil Group; and Anky Camaro, director of marketing of the Indomobil Group.

It was speculated that the atmosphere of the meeting was tense, judging by the frowns and dejected looks on the faces of the participants as they left the MENPERINDAG's conference room.

Tension showe[illegible] the faces of the Astra president director and the [illegible]domobil Group officials, who usually respond to the press with clear voices. Only Soebronto Laras spoke briefly to the press, saying that there is in fact an INPRES on development of the national automotive industry, but he gave no further details about what is meant by such development.

However, he said, it appears unrealistic to talk about a cheap car with a price of 35 million rupiah. "Taxes alone make up 65 percent of the selling price of sedans, unless there is special treatment on taxes," he said as he left reporters.

Indonesia: Satellite Company Seeks Cooperation With Global Companies

96SE0041B Jakarta BISNIS INDONESIA in Indonesian 22 Feb 96 p 5

[FBIS Translated Text] Jakarta (BISNIS)—PT [Limited Company] Satelindo and some global satellite operators are again discussing cooperation in telecommunications business operations worth hundreds of millions of U.S. dollars, including negotiations on participation of that company's capital in a satellite project.

Iwa Sewaka, principal director of PT Satelit Palapa Indonesia (Satelindo), says his company is seriously interested in establishing cooperation in the telecommunications business with all global communications satellite operators.

The company is now preparing for implementation of cooperation in the projects of, among others, Iridium, Globalstar, and Odyssey Telecommunications International, Inc. (Odyssey).

"We will exercise all cooperation with them, if it is more profitable," said Iwa last week. He was accompanied by other directors, including Ahmad Rivai, Saleh Gunawan, and Sahala Silalahi.

According to Iwa, Satelindo will be ready to invest its capital in satellite acquisition projects spearheaded by the international consortium so that Satelindo may obtain maximum benefit when the businesses begin commercial operation.

He said this step is under a long-term Satelindo business plan to unite with the various increasingly integrated world communications systems.

"We look at this in phases. The initial phase may be limited to being an investor in just the gateway central office. If the prospects are good, the level can be raised to paying in capital," Iwa said.

He explained that Satelindo's participation very much depends on the extent of the economic area covered by satellite services, which will enable the company to "spread its wings" overseas through stock ownership.

Iwa emphasized that it will be far more economical for the company to obtain rights to offer satellite services in many countries instead of being limited to the Asia Pacific area.

"If it is only for Indonesia, what is the purpose of it? We are already one of the providers," he asserted.

International consortiums, such as Iridium, Globalstar, and Odyssey, are now preparing to acquire dozens of cellular communications satellites worth billions of U.S. dollars and scheduled to become operational in the first decade of the next century.

Iwa was not willing to say, however, how far negotiations have progressed with the global consortium partners approached by Satelindo.

Satelindo was recently appointed by PT Asia Cellular Satellite System (ACeS)—a satellite consortium headed by PT Pasifik Satelit Nusantara and operator of the generation B Palapa satellite, to be provider of cellular telecommunications services by accessing satellites.

Iwa added that to strengthen its infrastructure capabilities, Satelindo needs to increase cooperation with other international consortiums in the future, primarily those operating in the acquisition of undersea optic cables. There could also be other types of cooperation.

He said that so far his company has participated in similar projects with APCN (Asia Pacific Cable Network), FLAG (Fiber Optic Around the Globe), and Sea-We-Me 3.

Indonesia: Public Input Needed for Transparent Election Atmosphere

96SE0043A Jakarta SUARA KARYA in Indonesian 28 Feb 96 pp 1, 11

[FBIS Translated Text] Jakarta (SUARA KARYA)—Lt Gen Syarwan Hamid, ABRI [Indonesian Armed Forces] chief of staff for social and political affairs, considers that in Indonesia, as a country based on democracy, social criticism by the people should be part of the system for improving the quality of the general elections. This should be in addition to other aspects, such as the creation of institutions to implement the general elections. According to Lt Gen Syarwan Hamid, if we pay attention to social criticism, it will not be necessary to have independent organizations competing with each other in watching over the general elections.

Syarwan warned that from the point of view of the applicable regulations and laws affecting the general elections, and especially from the institutional aspect, in fact the general elections have already met the requirements of democracy. He pointed out that such institutions as the various PPD's (Provincial Elections Committees) and the PANWASLAK's (Committees for the Supervision of the Implementation of the General Elections) have been established from the central governmental to the provincial governmental levels. In these institutions there are representatives of the government and of the various social and political organizations.

After meeting with Dr Mohammed Yogie, the minister of home affairs, at the Ministry of Home Affairs on 26 February, the ABRI chief of staff for social and political affairs said: "The existing organizational structures and the rules of the game for the general elections indicate that democratic values are already being applied." However, he said that he is also aware that in the implementation of these regulations mistakes may be made or violations of the regulations may occur, on the part of government offices conducting the general elections. In this connection Lt Gen Syarwan Hamid considered that criticism and social control are very important.

The ABRI chief of staff for social and political affairs said: "The institutional structure and rules of the game are not the whole picture. Criticism and social control are still needed so that the general elections will be increasingly well directed and of high quality. If a few mistakes are made, they can be straightened out in response to social criticism expressed by the people."

Increasingly Daring

He sees an increasing tendency with the passage of every day for the people to be more and more willing to express their views. He added: "An increasing number of our citizens are willing to express criticism openly. Furthermore, the people are also prepared to criticize if mistakes are made."

Under these conditions Syarwan thinks that, in fact, independent institutions to supervise the general elections are not needed. He said: "In the PANWASLAK's there are representatives of social and political organizations who can speak up if something is not right in such institutions. This tends to strengthen criticism and social control, with the result that social and political organizations do not need to establish or support competing institutions in the general elections."

General Syarwan was asked whether social criticism in past elections, such as charges that mistakes were made, would be taken seriously by the government in the future. The ABRI chief of staff for social and political affairs said that, as a great nation, we can certainly learn from experience. Previous situations cannot be used to draw conclusions regarding the present situation. For example, he said that previously there was an institution called KOPKAMTIB [Operational Command for the Restoration of Security and Order]. Now there is an institution called BAKORSTANAS [National Security Coordination Board]. Previously, the elections were rather tightly controlled. Now they are increasingly more open.

He said: "I don't make prophecies. However, we are beginning this process with the intention and spirit of making things better. With the support of existing institution affecting the general elections and with an opportunity, as at present, to express more open social criticism, we hope that the coming general elections will be even better."

A reporter asked whether the government is prepared to admit that its mistakes may have been properly criticized in the past by the people. Syarwan answered: "This should have been admitted. If I am wrong, I admit it. There is nothing wrong about someone admitting that he is wrong if he is, indeed, wrong. I am not angry if ABRI is criticized for doing all kinds of things. In case

ABRI is in the wrong, people are silent if I ask about it. Is this the right way to behave? The right kind of friend expresses criticism to let people know of his good intentions, not to shame them."

Indonesia: Military Commander Appeals for Calm in Irian Jaya

BK2203100296 Jakarta KOMPAS in English 22 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jayapura, KOMPAS Online — Commander of the Trikora Military Command Major General Dunija appealed to all local leaders and religious figures to help ensure the return of calm to the town of Jayapura and environs after the outbreak of violence last Monday and Tuesday.

"The Trikora Military Commander hopes local leaders and religious figures will help ensure a return of the situation as it was before (before the riots)," said Chief of Staff of the Trikora Military Command Brigadier General Johny Lumintang during a meeting with local and religious leaders in Makodam on Wednesday (20 March). Apart from village elders and regional chiefs, Bishop Herman Muninghoff from Jayapura was among those present at the meeting.

There was an issue that caused panic but the Military Commander hopes through cooperation and unity the problem will be solved, said Jonny Lumintang.

By Wednesday (20 March), police had arrested 89 people involved in riots. After further investigations 20 are suspected as being the brains behind the violent demonstration which lead to the death of four locals, the destruction of 25 cars, 15 motorbikes and dozens of shops, houses and offices. The central market in Abepura was also burned to the ground. The 89 suspects are being held at the Abepura police station for further questioning.

One of the suspects was arrested for destroying Indonesia's national flag, one for raising the Irianese separatist flag and two for hurling molotov bombs at houses in Jayapura.

The Abepura security command explained separatist groups were responsible for the violence including students from Cendrawasih University in Jayapura and members of the Serui tribe who were at the airport to meet the body of Dr Wanggai who had died in Jakarta while serving a prison sentence for his separatist activities.

There is now fear that the deaths due to the violent onslaught may lead to the emergence of inter-ethnic, racial and religious conflict. Among those killed were three people from the Jayawijaya region.

We as the Head of the Jayawijaya Brotherhood Organization asked all the people of Jayawijaya to abstain from revenge. Although three of your brothers have died, we don't know the background. They were in the market (Abepura) looking for food, said Pascalis Kosay.

Local figure Salmon Kambuaya requested that all those in custody be investigated as quickly as possible. If their arrests are prolonged, he fears public unrest. Lecturer at the Cendrawasih University, Marten Wanahan, also asked ABRI [Armed Forces of the Republic of Indonesia] for immediate investigation of the students and lectures who are arrested.

Jonny Lumintang has passed on these requests to the police. While those who merely joined in the riots will be released, the masterminds will be punished according to the law.

After the riots an estimated 200 families or 900 residents, including families from Ujungpandang, Buton, Madura and Java, were without their source of income for two days. Some of the residents requested a guarantee of security from ABRI against the local Irianese.

Irian Jaya Chief Theis Eluway hoped that other parties would learn from ABRI who have continued to meet with religious and village figures in efforts to find a solution to the problems which plague Irian Jaya.

Laos

Laos: Foreign Ministry Statement on U.S. Helms-Burton Bill

BK2103143796 Vientiane KPL in English 1002 GMT 21 Mar 96

[FBIS Transcribed Text] Vientiane, March 20 (KPL) — The Ministry of Foreign Affairs of the Lao PDR [People's Democratic Republic] on March 17 issued a statement on the U.S. Helms-Burton bill approved by President Bill Clinton of the United States on 15 March.

The bill aims to intensify the economic and trade embargo on Cuba, which has been imposed by the U.S. Government for decades, after the downing of two civil planes piloted by Cuban exiles based in U.S. in Cuba's airspace.

The economic blockade has been ever since faced international opposition. [sentence as received] In the new current world situation, the blockade has worried international community, regarding the effectiveness of international laws, particularly those on trade.

In addition, according to the United Nations charter, every independent country, including Cuba, has a right to choose its own political regime in accordance with its characteristics according to people's aspiration. And other countries have no rights to force or pressure it to follow their example.

Accordingly, the Government of the Lao PDR views that this action of the U.S. Government is irrational and does not contribute to building the atmosphere of international cooperation after the Cold War period. The Government of the Lao PDR hopes that the U.S. Government will reconsider its action. This hope is also shared by the governments of the nations in America, European Union, Asia, and Africa.

Laos: Party Delegation Departs for Congress in Cambodia

BK2103154496 Vientiane KPL in English
0954 GMT 21 Mar 96

[FBIS Transcribed Text] Vientiane, March 21 (KPL) — A high-level delegation of the Lao People's Revolutionary Party (LPRP), left here yesterday for the Kingdom of Cambodia to attend the first Congress of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party to be held from 21 to 23 March at the invitation of the FUNCINPEC party.

The delegation is led by Saman Vi-gnaket, member of the Political Bureau of the LPRP Central Committee and National Assembly president.

Laos: Sixth Party Congress Adopts Resolution

BK2103142096 Vientiane Vitthayou Hengsat Radio Network in Lao 0811 GMT 20 Mar 96

[Resolution adopted by the Lao Sixth Party Congress in Vientiane on 20 March; read by Somsavat Lengsavat, head of the Secretariat of the Congress — live]

[FBIS Translated Text] The Sixth Lao People's Revolutionary Party [LPRP] Congress of delegates from throughout the country was convened in Vientiane from 18 to 20 March 1996. Attending the congress were 381 delegates from the services attached to the center, localities, and grass roots from throughout the country, representing more than 78 [as heard] party members.

I. After profoundly studying and expressing views, the congress reached complete unanimity on the political report adopted by the Fifth Party Central Committee as presented by Chairman Khamtai Siphandon.

The political report reviewed the overall implementation of the restructuring cause and the resolution of the Fifth Party Congress, reaffirming that numerous important achievements have been attained in our country's restructuring, resulting in positive changes in many fields as follows:

The system of popular democracy has been upgraded and has gained firm stability. Security and social order has been fundamentally ensured. Clear-cut achievements have been attained in socioeconomic development. The national economy has been more effectively developed at a continual pace, creating a number of new factors in the form of the structure, materials, and technical foundations for the promotion and enabling of socioeconomic development in the years to come to achieve new levels and status. The multiethnic people have gradually gained better living conditions, unity, harmony, and more confidence in the party's line and the future of the country. The relations between our country and the international community have been broadened. Important achievements have been recorded, thanks to the culmination of the unity and perseverance of the entire party, army, and people in holding aloft the spirit of patriotism and a sense of independence and sovereignty in national construction and development.

These achievements have been gained through the harmonious coordination between the country's consolidated strength and the support, cooperation, and assistance from friendly countries and international friends from far and near. These important successes clearly reaffirm the correctness of the cause of restructuring, which has been boldly adopted by our party in a timely manner and to which respected and beloved Kaysone Phomvihan has made great contributions as the leader and initiator of the restructuring cause in our country.

In addition to these outstanding and fundamental achievements, the political report also clearly pointed to the shortcomings and remaining problems, as well as to a number of fundamental causes that have hindered the implementation of the party's line, plans, and policies. First, a sense of resourcefulness, responsibility, and perseverance embraced by the party committees, administrations, cadres, and party members is still not high. The mobilization of the consolidation of the entire society to help develop and build the country has not been actively and fully carried out. Harmonization and coordination among the various services concerned and between the vertical and horizontal ranks are not yet harmonious and unified. Leadership and supervision remain impractical and shallow. A trend toward bureaucratic tendencies and extravagance has not yet been thoroughly resolved.

On the basis of the analysis of these achievements and shortcomings, the political report presented a summarization and the lessons drawn from the lively experiences in carrying out the restructuring cause over the past decade as follows:

1. The strengthening of unity and harmony among the entire party and the masses, closely linked with the enhancement of the spirit of patriotism and a sense of independence, sovereignty, self- reliance, and self-building, is a decisive factor in the achievement of the restructuring cause.

2. Rely on the people, enhance the great strength of the people, and do everything for the interests of the people.

3. Ensuring political stability, security, and order in the society is a necessary condition for restructuring. To allow the restructuring cause to attain success, it must be comprehensively and painstakingly carried out with appropriate steps.

4. Increasing the party's leading role in all spheres of work and the enhancement of the effectiveness of state management are the conditions ensuring the correct execution of restructuring along the party's line and objectives.

5. The enhancement of national strength, coupled with the unique strength and principled solicitation of support and assistance from the international community, is indispensable for national construction and development.

On the basis of an analysis and understanding of the international situation and the practical conditions in the country, the political report clearly pointed out that we have maintained sufficient abilities to build our country into a prosperous and advanced one through each specific step in implementing the development plan. In this spirit, the following objectives have been established for the period from now until the year 2020:

Strive to free our country from underdevelopment: The economic and social sectors must be developed and undergo new changes at levels different from the present ones. Agricultural and industrial production has been developed and modernized. The people's material and cultural living conditions have normalized and achieved better quality. All citizens enjoy education and public health services. The fine national culture is being productively promoted and enriched. Fundamental social welfare is guaranteed. There are personnel and a labor force capable of meeting the basic requirements of national development. The society enjoys tranquillity. The popular democratic political system, with the party as its core, is firm and strong. Our country maintains broad relations and cooperation with the world and is capable of expanding and adjusting itself to the common trend of the era.

Only by so doing can a firm basis for the building of a peaceful, independent, democratic, unified, and prosperous Laos be successfully established.

Based on the aforesaid overall objectives, an endeavor must be made for the next five years — from 1996 to 2000 — to ensure that the economy is continually developed at the level of eight to 8.5 percent per year. By 2000, per capita income must reach $500; a number of basic businesses must be established to serve as a springboard for the industrialization and modernization of the country in the next step. Poverty and food scarcity among the people in prioritized areas must be resolved through comprehensive rural development.

To achieve the aforesaid figures, all of our party, army, and people must firmly grasp and organizationally implement the following overall tasks:

1. Enhance the unique solidarity within the party and among all the people; guarantee firm stability and tranquillity; create favorable conditions for the people to earn their living and for the country's building and development; and securely safeguard national independence and sovereignty.

2. Mobilize the strength of all economic sectors and the entire society into national development; promote and expand the patriotic spirit and link it with a spirit that cherishes the new system; enhance the sense of national independence and self-mastery; be industrious and thrifty in building the country; and strive to stimulate domestic fund accumulations in order to maintain the stability of the national currency and attain self-mastery step by step.

3. Positively implement the demographic policy in order to make population growth correspond with the level of economic development; raise the level of knowledge of the multiethnic people; train skilled labor and personnel who can serve the urgent requirements of national development in the immediate future; resolve various social problems together with the economic development; and gradually bring about civilization and justice to the society.

4. Increase the party's role and enhance its leadership capability in all spheres of work; consolidate and increase the efficiency of state management through laws on the economy and society; vigorously boost the activities of various mass organizations; and promote and expand the people's rights to mastery.

5. Establish and strengthen friendly relations with various countries and broaden cooperation with friends throughout the world.

The political report stipulated various major plans, policies, directions, and duties in each sector of work as follows: reaffirm that the economic structure in our country is an economic structure that is composed of many domains under many forms of ownership and different economic organizational systems that can coexist for a long time. Each and every economic domain enjoys equal rights under law, and they can freely carry out activities under the control of the state based on the market economy mechanism, which requires sectors to both cooperate and compete with each other but have common obligations, that is to contribute to the developing and building of a prosperous and wealthy country.

To continue implementing the plan and policy of turning the natural economy into the goods-oriented economy, it is necessary to pursue, through a complete system and in an ever more orderly manner, a policy of promoting various economic sectors. In this regard, families must be considered the beginning point. Families must be widely made an example in the production and processing of goods and services. Simultaneously, it is necessary to promote the people's collective economic sectors under many forms and with different sizes and levels, which are set up on a voluntary basis and in accordance with the concrete requirements and with the specific points of each locality.

To increase our investment capability, to gradually modernize and raise the technical and technological standards of production, processing, and services, and to utilize advanced experience in management, we must continue encouraging and promoting every form of coordination among the various economic sectors, such as between the state and the private sectors, among the private sector itself, and between the internal and external sectors. We must continue consolidating and building the state economic sectors to become more efficient by modernizing and raising the standards of production techniques, technology, and management to allow them to maintain their roles as a mainstay for some production sectors and services in order to produce certain vital products, thereby more effectively fulfilling the political, economic, and social agenda of our party and state and allowing them to possess the strength to join with other economic sectors to continuously and steadfastly develop the country.

To enhance the strength and potential of our country in general and of the various regions in particular, our party must strive to pursue the policy at an early stage of closely linking the agricultural-forestry economic structure with industries and services, regarding agriculture and forestry as a foundation and vital industry as a support, and gradually promoting vigorous development of the services sector along a modern path.

To translate the said economic agenda into reality, our party believes it is important to vigorously continue promoting socioeconomic development in the various regions with this guideline: Concentrate on developing those regions with sufficient conditions and potential first, in order to build them into a foundation and a strong force for promoting and supporting other less vital regions so that they can be developed together—especially the mountainous regions and former strongholds, which still remain somewhat backward.

Therefore, we must define the economic structure and map out development plans that are suitable for each locality and closely linked with the overall national development plan, consequently allowing regional development work in our country to be linked with that of international development projects implemented in this region.

In the immediate future, we must expeditiously try to construct a long-term strategic plan for national development — that is, the plan from now to the year 2020 — aimed at translating the resolution adopted at the Sixth Party Congress into directions, tasks, and expectations for fulfillment in each sphere.

We must increase the role and importance of both the annual and five-year plans in order to define the direction for development and to create harmony between economy and politics, culture and society, national defense and public security work, low land and mountainous regions, and economy and environment by considering our capability to possess sufficient capital, means, and manpower to meet the requirements of the implementation of the said plans.

We must continue consolidating and stepping up state management of the national economy through laws, policies, and comprehensive management mechanisms, provide advice to all economic sectors to develop in accordance with the overall structure and socioeconomic development plan, and create favorable conditions for the business production units of the various economic sectors to efficiently carry out activities, thus enabling them to compete in foreign markets.

In addition to the aforementioned overall plan in the economic sector, the political report also systematically defined the orientation, duties, and tasks in various spheres as follows:

The report defined a comprehensive rural development plan as a strategic task by concentrating efforts on building the family economy for farmers, increasing the number of model farming families, and creating economic and cultural groupings. By doing this, commercial goods production can be developed, the people can gain knowledge and good health and gradually enjoy better living conditions, security can prevail in the villages, and the political regime at the village level will become secure.

To achieve this goal, our people's sense of mastership must be enhanced, and attention must be paid to promoting family production and to training local development cadres. At the same time, the state must have a policy to promote and encourage the various economic sectors to participate in this endeavor.

As for the rugged mountainous areas inhabited by ethnic tribes and former strongholds, the state must act as a primary base for mobilizing all of the strength of the community to participate in this endeavor.

With regard to the agriculture and forestry sector, as our primary duty, attention must be paid to actively developing it by closely linking the increase of its production efficiency with the protection, preservation, and rehabilitation of soil, forests, and water to maintain their utility. We must strive to produce enough rice for consumption and for surplus supplies.

In conjunction with agricultural production, we must vigorously promote the development of vital industries, such as electricity and mining, aimed at meeting our basic needs and creating favorable factors for future industrial transformation. We must develop and modernize communications and telecommunications, which we always regard as a vital sector, in order to allow them to reach all important localities throughout the country and to gradually establish links with neighboring countries in order to enhance the strengths of the geographical location of our country.

We have a policy to promote the various services in order to develop and modernize them to achieve better quality and to increase the effectiveness of their management of the market economy by actively improving and strictly implementing trade, financial, and monetary policies with the aim of normalizing the market, maintaining monetary stability, controlling prices and inflation, maintaining the value and buying power of the kip, and stabilizing the rate of exchange between the kip and foreign currencies.

We continue pursuing the policy of broadening our economic cooperation with foreign countries and actively promoting foreign investment in our country, aimed at harmoniously combining our domestic strength with that of foreign countries in order to create a new condition for development and to gradually link our economy with the international economy.

Firmly adhering to our fundamental goal of doing everything for the happiness and wealth of the multiethnic people, the political report spelled out a clear-cut policy on social development together with economic development in order to make our society more civilized and just.

Our party attaches great importance to human resources development by aiming to build our people into good and law-abiding citizens who cherish and maintain a sense of patriotism and popular democracy and possess general knowledge, employment, and good physical health, and are emotionally civilized.

Education always plays a pivotal role in human resources development. We must concentrate efforts on raising the people's academic standards, creating professions for multiethnic children, and creating more and more intellectuals and educated persons to meet the requirements for national development in the years to come.

We must adequately expand the network of better quality public health services for the multiethnic people and extensively promote sports movements among the masses. At the same time, we must pay attention to implementing the various systems and policies involving state employees, retired cadres, people who have committed good deeds, and the families of those persons who have sacrificed their lives for the revolutionary cause, allocating state funds and contributions from the entire society.

We must resolve labor conflicts through comprehensive measures, more effectively ensure justice in society, attentively pursue the ethnic policy in order to increase and strengthen unity and harmony, and promote and encourage the entire society to participate in safeguarding and enhancing national and ethnic cultural heritage, while absorbing the fine and progressive culture of the world and creating a culture with national, mass, progressive characteristics.

The political report stressed the importance of national defense and public security work and reaffirmed our determination to continue implementing the comprehensive mass line of national defense and public security maintenance, instilling a sense of responsibility in this work in the people, cadres, party members, organizations, business production units, and grassroots foundations throughout the country.

In the foreign affairs domain, we pledge to continue adhering to a foreign policy of peace, independence, friendship, and cooperation with all countries on the basis of the principle of respect for each other's independence and sovereignty, noninterference in each other's internal affairs, equality, equal benefits, and peaceful coexistence.

We will strengthen our relations of friendship, special traditional solidarity, and fruitful cooperation with the SRV.

We will further broaden our solidarity, friendship, comprehensive cooperation, and mutual support and assistance with the PRC and other socialist countries.

We attach importance to building peace and expanding cooperation with neighboring countries, continually and actively making necessary preparations to gain ASEAN membership, and to taking the initiative in carrying out activities together with other ASEAN members. At the same time, we will expand our relations and cooperation with other countries, financial institutions, and nongovernmental organizations throughout the world and make noble contributions to the cause of peace, friendship, and cooperation on development pursued by the United Nations and its specialized organizations and to stands adopted by the Nonaligned Movement and the Francophone countries. We will broaden our relations with the ruling parties, political parties, and movements on the basis of respect for each other's independence and sovereignty, noninterference, and contribution to strengthen bilateral friendship and cooperation.

The political report spelled out the policy on consolidating and building our state into a state of the people, by the people, and for the people. We will further enhance the role of each state power organization in managing the state and society through laws, implementing the state's lines, plans, and policies to become more fruitful, and making the regime of popular democracy firm and stable.

The political report regarded mass and front work as a strategically important task. It called on the party's mass organizations to urgently consolidate themselves and more actively carry out their roles and tasks in order to further enhance the right to mastership and to safeguard the just interests of the masses and extensively mobilize the consolidated strength of society for engaging in the restructuring cause.

At the same time, we will continue pursuing the policy toward overseas Lao residents and will create favorable conditions in accordance with our laws and regulations for those who have capital and desire to return home to make contributions together with their compatriots in the country in building and making our fatherland more prosperous and progressive.

In the meantime, we pledge to ensure the legitimate rights and interests of aliens living in the Lao People's Democratic Republic and to create conditions for them to contribute to building Laos and developing friendship relations between Laos and their native countries.

The political report attached special importance to the party building work. It reiterated the determination to continue consolidating and building the party to enable it to achieve leadership capabilities and new combat strength so that it can serve as the genuine core of the political system and as the representative of the interests of the working class, laboring people, and the entire nation. At the same time, it urgently demands that the party committees at various levels and all party members adhere to the six fundamental principles of the restructuring cause and use these principles as the guidance and yardstick for evaluating the quality of the activities of all party organizations at all levels.

The political report also set the direction and tasks for the strengthening of the roles and leadership capabilities of the party over the entire society. In this regard, it focused on: continually perfecting the party's policies; positively implementing political and ideological training work, both in the party and the whole society; strengthening the leadership characteristics of party members in performing work and in leading exemplary lives; and paying attention to firmly controlling cadres and stepping up the party's inspection.

In addition, it is necessary to raise to a higher level the quality of the ideological and theoretical work and to positively perfect the organizational system and improve the party's leadership methods to bring it into conformity with the new environment. First and foremost, it is necessary to: improve and build party cells to make them strong party cells capable of carrying out a leading role in all respects; consolidate the organizational system and activities of party committees at various levels in coordination with the adjustment of leading methods by basing them on the principles of democratic centralization; accelerate (?associating with offices) and concrete work; and settle and do away with all forms of bureaucratic practices.

The political report emphasized the cadres' decisive role and urgently demanded that the work of training and building cadres be positively carried out so as to raise to a higher level the quality and competence of cadres in a sufficient number to meet the basic requirements. It also clearly issued directions for the implementation of the inspection work with a view to strengthening the unique solidarity of the party, enabling cadres and party members to perform their duties in a faithful and honest manner, and checking and gradually doing away with various negative phenomena.

The congress calls on party and administrative committees at all levels and all cadres and party members—first and foremost key and leading cadres in each locality—to pay attention to studying and profoundly understanding the political report and translating it into the resolution of their party committees and the working program of their organizations, branches, and localities.

II. The congress heard a report on the leading activities of the Fifth Party Central Committee and highly assessed the Party Central Committee for its endeavors and for promoting and expanding their creative abilities in leading the entire party and all of the people to implement the restructuring line and thus record satisfactory achievements. In addition, the delegates to the congress contributed criticism and commendations in a straightforward manner on the shortcomings of groups as well as individuals in the Party Central Committee.

III. The congress heard a report on the revision of the party's rules and regulations, contributed profound views on them, and unanimously approved the revised rules and regulations, which reflect the suitability of the organizational direction for the party's political line in the new stage. The revised rules and regulations will come into effect beginning 1 May 1996.

IV. The congress elected the Sixth Party Central Committee to lead and guide the fruitful implementation of the line, plans, and policies as put forth by the Sixth Party Congress. The inaugural meeting of the Sixth Party Central Committee unanimously elected Comrade Khamtai Siphandon chairman of the Party Central Committee.

V. The congress praised and hailed cadres, party members, combatants, multiethnic people of all strata, monks, and novices for making contributions with their intelligence, energies, money, and materials, as well as their lives, to the glorious success of the restructuring cause and the bright future of the country. The congress called on the entire party, army, and all of the people to promote and expand their patriotic tradition and spirit of independence and self-mastery, as well as their traditions of unique solidarity, industriousness, and perseverance, based on the overall internal strength and national resources in combination with the strength of cooperation, support, and assistance from the world, to build and develop the country and turn it into an ever more prosperous and progressive country.

All these are aimed at setting up firm foundations and the momentum to advance step by step toward the achievement of prosperity, wealth, happiness, civilization, and justice.

Philippines

Philippines: PRC Official Hails Strong Taiwan Presence in Subic Bay

BK2203111496 Manila PNA in English 0243 GMT 22 Mar 96

[Report by Connie Aletta L. Simbol — received via Internet]

[FBIS Transcribed Text] Subic Bay Freeport, March 16 (PNA) — The Vice Foreign Minister of the People's Republic of China (PRC) who recently visited this former US naval base welcomed as a development for Subic Bay, the steady influx of Taiwanese money going into various baseline projects and business ventures here.

Tang Jiaxuan, who was in the country for the annual Philippine-China bilateral consultations said the Taiwanese, who are now working magic in mainland China's economy can do the same for Subic, citing the close economic ties between the two neighbors despite their political friction.

He claimed that China is prepared to match the strong economic presence of Taiwan in Subic, recommending a more aggressive marketing of Subic in mainland China.

"I am willing to be one of your promoters in China. When I go back, I will tell the Chinese entrepreneurs the wonderful opportunities waiting for them here," the Chinese official offered.

He said Subic symbolizes a Philippines turning over a new leaf after years under foreign influence.

"A nation should write its own history and Subic's transformation from being a military zone into a bustling economic area shows a country finally shaping it own future," Tang said.

Subic's strong points, he said, are the infrastructure and deep harbor. To attract more investors from the mainland, he suggested that foreign nationals' access to other parts of the country be facilitated and the telecommunications system improved.

This former naval base, the largest overseas US military installation, was crucial for checking the military adventurism of East Asian socialist countries notably China and Vietnam until the Philippine Senate rejected in 1992 the extension of the bases' stay here.

This set the stage for Subic's new identity as a freeport.

Tang also assured the Philippine Government that China will react with equanimity should US warships resume port calls on Subic piers in connection with the heightened tension across the Taiwan strait.

"We understand that visiting military vessels in Subic port will be treated by the Subic Bay Metropolitan Authority (SBMA) as commercial ships making routine calls there because Subic and the Philippines no longer look up to US as their master," Tang said.

The main focus of Jiaxuan's three-day visit to the country was a series of bilateral talks with his local counterparts on the Spratlys island row, and allegations of Chinese piracy in the Philippine waters.

He said the Chinese and the Philippine panel had agreed to formulate a consultancy mechanism made up of three groups from both sides to deal with the Spratlys row.

Although he pointed out that China had already instituted measures to crack down on Chinese pirates infesting international waters, he said that there will be future consultations with the Philippine Government on the issue.

Philippines: Envoy: Taiwanese Investors To Flee PRC for Safer Places

BK2103082296 Manila BUSINESS WORLD in English 21 Mar 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] China's continued military exercises in the Taiwan Strait will force Taiwanese investors in mainland China to relocate their businesses overseas as their confidence on Beijing is slowly diminishing.

Chan Hsien-Ching, the official representative of the Taipei Economic and Cultural Office in Manila whose rank has the equivalent of an ambassador, said the Philippine Government must capitalize on this development and pursue an aggressive strategy that would entice Taiwanese investors to infuse capital in the country. "Because of China's missile testings and military exercises, the confidence of Taiwanese investors in Beijing is affected. Several of them are seriously considering transferring their businesses to the Philippines," Mr. Chan told BUSINESS WORLD in an interview. "That's a pity on the part of Beijing because most of the Taiwanese investors there have just started their expansion projects. But because of China's military bullying, they (investors) now want to put their money in safer places nearby like the Philippines."

Philippines: Ramos Picks Taiwan, Mindanao Issues as Top Concerns

BK2103081096 Manila BUSINESS WORLD in English 21 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The brewing Mindanao conflict and the tension in the Taiwan Strait are the Philippines' current security concerns.

President Fidel Ramos yesterday indicated only one group may have been responsible for the series of bombings in Zamboanga and Basilan, as well as for clashes with government troops in Sultan Kudarat and Maguindanao. "The Mindanao peace process has been put in place since early in the Ramos administration and it has acquired very vital political, economic, social and diplomatic dimensions which are crucial to the long-term peace and development of our country," Mr. Ramos said. "The process cannot be simply scuttled just because some people want to have their way in contravention to the imperatives of our people's welfare and well being," he added.

At the same time, Mr. Ramos said Beijing's military exercises in the Taiwanese Strait "remain a source of grave concern" because of their proximity to the country and the large number of Filipino workers in Taiwan.

Philippines: Accord To Solve Spratlys Dispute 'Gradually' With PRC

BK2203111596 Manila MANILA STANDARD in English 15 Mar 96 p 7

[Report by Ferthe Aboga]

[FBIS Transcribed Text] Beijing and Manila have agreed to solve the territorial dispute involving the Spratly Islands "gradually," the Department of Foreign Affairs [DFA] said yesterday.

In a press conference, DFA Undersecretary Rodolfo Severino, however, added China's Vice Foreign Minister Tang Jiaxuan said they are not pulling out of the Mischief Reef, one of the disputed islands.

"China did not say they were pulling out (of the Mischief Reef). (Vice Minister) Tang raised that his country would continue its presence on the Mischief Reef but reiterated their position on the nature of their presence here," Severino said.

Tang headed the Chinese delegation to the Philippine-Chinese bilateral consultation held at the DFA.

Tang said they are occupying the island as it provides a viable venue for its fishing facility and shelter for the fishermen. He has also denied the claimed presence of electronic equipment and other facilities not related to fishing activity.

Severino, however, stressed that China's military presence in the disputed area "is still an issue to the Philippines."

"China has explained its concept to us but we will continue to raise our question. We will settle this dispute through peaceful negotiation and in consideration of international laws, particularly the United Nations Convention on the Law of the Seas," Severino said.

But in the meantime, the two countries have agreed in principle to pursue cooperation in the area of fishing, environmental protection, and confidence-building in the South China Sea.

Concrete proposals on the matter will be drawn, Severino said. A suggestion on jointly patrolling the South China Sea against illegal transnational activities will also be considered.

A proposal that vessels from both countries should keep away from each other's shore was laid out for future discussion, Severino added.

In a related development, China has assured the country that Filipino workers in Hong Kong will not be affected even after the city-island reverts back to the mainland in 1997.

China has also promised to give Filipino exporters priority in markets for competitive products.

Severino noted that the country's trading with China remains smaller than the other countries in the Asian region. The country's export to China remains less than U.S. $276 million while its import was pegged at U.S. $1.03 billion.

Philippines: Terror Issue, Work Force Ramos To Scrap South Asia Tour

BK2203114696 Quezon City Radio Filipinas in English 0230 GMT 22 Mar 96

[FBIS Transcribed Text] Citing security problems and a hectic schedule, the Department of Foreign Affairs [DFA] has scrapped plans on a presidential visit to India, Pakistan, and Bangladesh this year. A high-level DFA source revealed this yesterday, but said a new schedule may push through next year.

The original plan was for President Ramos to make a string of (?visits) to these countries during the first half of 1996. But a DFA official said that security problems in Pakistan are just too much to ignore, plus the president's hectic schedule.

Sources say that while the major problem here was Pakistan, the DFA decided to cancel the world trip. So he must visit the three countries in a single period to maximize the budget.

They said an official visit to Pakistan stands out because Islamabad has been supporting Manila's position on problems involving the extremist groups in Mindanao, especially the Moro National Liberation Front.

With the recent roundup of Pakistani nationals in Manila for allegedly engaging in terrorism must have angered their supporters in Pakistan and may cause a backlash.

Philippines: MNLF Chief Views Peace Talks, Other Issues

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["Exclusive" interview with MNLF Chairman Nur Misuari by Teodoro Benigno in Jolo, Sulu on the "Firing Line" program; date not given — recorded; italicized passages in Tagalog]

[FBIS Transcribed Excerpt] [Benigno] Good evening. For the first time in four years, "Firing Line" has moved from its GMA location in Metro Manila to fly off to Jolo, right in the heart of Muslim Mindanao. Our guest is no less than Chairman Nur Misuari of the Moro National Liberation Front [MNLF], who has so kindly consented to an exclusive interview.

This "Firing Line" interview is not only significant but crucial, for it will deal with the explosive issue of whether or not there will be lasting peace in Mindanao. So far, about 100,000 people have died due to the conflict.

Peace talks between the government of President Fidel Ramos and the MNLF have been going on for two years and a half, but a final settlement is not yet in sight. The bombings several days ago of two churches in Mindanao, another in Zamboanga, another in Basilan have cast a pall of uncertainty on the peace talks. The gut issue is the proposed 13 provinces for autonomous region in Muslim Mindanao.

The MNLF takes the position [that] the autonomous region can be set up without a plebiscite. The Philippine Government is far from agreeing and was at stalemate. Anyway, "Firing Line's" interview with Chairman Nur Misuari tonight should provide viable answers from insights into a problem that has plagued the Philippines from time immemorial. Welcome to "Firing Line" Chairman Nur Misuari.

[Misuari] Thank you for the.... [pauses] You are also most welcome here in this humble place of ours here in Jolo. You know, this is a very historic place. It was here where we, the first capital of the Kingdom of Sulu was established, and it was from here that we have fought, we stood against, we stood up against all the challenges against our people from outside. And now you are most welcome, and I would like to assure you that here, even you can enjoy limitless freedom. Ask any question. Nobody will begrudge you.

[Benigno] Yes, Mr. Chairman. My first question has to do with this recent bombing in Zamboanga City and that one in Basilan. You have been quoted as saying that these bombings were intended to disrupt the peace talks and that they might (?be) being committed by third party persons or groups. Have you been able to identify who those troublemakers are, Mr. Chairman?

[Misuari] I have identified already this before who are trying to disrupt the peace process, but I don't know whether this is the right place to tell this, to make the revelation. I'm expecting to see Ruben Torres, the honorable secretary, executive secretary, to be able to find time. I requested him to come and join us here on the 18th of March. Maybe I can whisper to him the possible links to the bombs or to the bombing.

[Benigno] There is a (?notice saying) with MALAYA this morning, Mr. Chairman, to the effect that *you were piqued because in* Zamboanga City some businessmen, they don't give you with the proper respect. *And then* perhaps some of their men could have been (?beside). I'm sure that we will just....

[Misuari, interrupting] No, no. This is a smear campaign, really. We have nothing to do with these businessmen. But, you know, there are some disgruntled people in that city who don't like to see peace, you know, restored because they want to establish some kind of a syndicate to control the barter trade and to control the business in that city. Well, this is, these are the people behind these bombings and all those attempts to insult me during my short visits in Zamboanga City.

[Benigno] Mr. Chairman, you have been quoted by some sectors of media, particularly in Metro Manila, that if peace talks (?were) expanded, certain allotments on autonomous region should collapse, hostilities could break out in Mindanao. Who would initiate these hostilities in case if the [words indistinct] that?

[Misuari] Well, you know, they have asked me these questions, time and again, and I have been very, very consistent in my answer. Even last night, when they asked me the same question, I gave the same answer. If you don't mind, I will give you the same answer. They asked me: Mr. Chairman, some people are saying that you have issued a statement to the effect that, should the peace process collapse, then there would be war. I said this is my reading of the situation.

[Misuari] First of all, when I landed here in the island of Jolo, on the 27th of last month, February, people told me that around 50 people have already been killed or slain. This is so to show how chaotic and anarchic the situation is like in this island. And I say that I asked them: Why? Because they said this is a retaliation for the blasphemous insult inflicted on the mosques in Tanum or in Patikul. They said the people are retaliating. Of course, I cannot accept this right away because there are some people who are telling me that a third party could possibly be the cause of this.

And the second one, I know very well — both from the press and from our own sources — that the MILF [Moro Islamic Liberation Front] have accumulated huge quantity of good quality weapons, and they are telling me that as soon as the peace process is gone and there is no hope for peace anymore, then probably they will start moving.

And, thirdly, which is the most serious I believe — that prompted me to believe the way I do that there will be war should there be no peace accord — is because the Armed Forces Chief General Arturo Enrile has said, time and again, that the Armed Forces have already mobilized at least 20,000 forces to saturate the strategic areas in Mindanao and the islands. So, I told myself: Did they come here for picnic? Certainly not. And if they did not come for picnic, what could be their motive, therefore?

I would say, if you ask nine out of 10 persons or people here in Mindanao and the islands of Jolo, they will tell you forthright that they came here with a hidden agenda. Anybody can make the guess.

[Benigno] Mr. Chairman, the remark of Congress — both the House and the Senate — appears to be in favor of a plebiscite for the 13- province autonomous region. And I would presume that it would also be the inclination and the feeling of the Christians that comprise the majority in some of the provinces of the autonomous region. Now my question is: Have you taken a definite position against the plebiscite?

[Misuari] Well, we always say that, in the first place, plebiscite is not the method that one could find in all those areas in the world where you have this similar situation before you.

For instance, I said: When De Klerk and Mandela met to forge an agreement to restore peace in South Africa, there was no talk of a referendum or plebiscite. And so too between (?Samnaw) and (?Zayea) in Eritrea over the Eritrea. And so with 'Arafat and his counterpart in Israel. And so with Bosnia-Herzegovina. And all places in the world. I said this is not the practice. If you want to make peace, then don't put up an obstacle at all because referendum is some kind of an obstacle, unnecessary one at that. And besides, in the MNLF perception, referendum is not a part of our agreement. The Tripoli Agreement calls for, provides for a mandatory provision, which says that the Philippine Government will have to undertake the necessary, the necessary constitutional process with a view to implementing that Tripoli Agreement in its entirety.

[Benigno] The interpretation of many politicians, Mr. Chairman, is that this Paragraph 16 or Article 16 invoking constitutional processes means that plebiscite or a referendum, and they have stood pat on that. (?So) we have a sort of stalemate in that problem, and I believe it's a stalemate.

[Misuari] But in Jakarta last December, His Excellency Ambassador Yan was asked by some people from the media, he was asked like this: Mr. Ambassador, are you telling us that referendum, that constitutional processes refer solely to referendum or plebiscite? He said no because he said it could also mean people's initiative. It could also mean presidential proclamation. It could also mean presidential declaration. That's what he said.

So I told them, in fact in Zamboanga City — during our mixed committee meeting — I seized the opportunity to reinforce the argument of the Islamic Conference Organization when they said that what is called for here is the implementation of the agreement in its entirety.

[Benigno] Now Mr. Chairman, *what you said is true* and it's really possible that President Ramos might be sincere and not only desire constitutional processes for an autonomous region outside of the plebiscite. *But many are saying* that if he should get out of that plebiscite thing, he might be impeached by Congress.

[Misuari] Well, I've heard it time and again. But the peace advocates, people who belong to the international peace advocate who were present during the talks in Jakarta, have written us some legal briefs on this. He said: Absolutely there is no chance for any impeachment proceedings to prosper because the Constitution and the laws are (?so precise) giving mandate to the president to establish peace in the country.

[Benigno] But Mr. Chairman, we have been negotiating for two and a half years with the Ramos administration. You were also negotiating under the Cory Aquino administration. And you were negotiating and fighting under the Marcos administration, and ever since the Spanish times and the American times. Do you have so much patience in that we will negotiate, or is there a time limit to all these negotiations?

[Misuari] You know we are Muslims. We are mujahideen at that. Mujahideen meaning strugglers in the way of Allah, in the way of God. And we are guided by one divine mandate. Our master asked in the Holy Koran: [Misuari cites an Arabic passage from the Koran]. What does it mean? The meaning of this, this Arabic — the original language of the Koran — what the meaning, in short, is that you must beat your enemy in perseverance. So we have to comply with this Islamic injunction, and that's why you see, you know, time and again, we have been facing these challenges to our lives, to our existence, but still we are there, and we are still here in my, under my leadership.

[Misuari] How long? This is already 28 years of hard work. But we are in fine now; we are still ready to continue should there be need for that.

[Benigno] We understand your patience, Mr. Chairman, and the perseverance of some of the MNLF in pursuing these negotiations. But there are other organizations, like the MILF, who do not seem, as a matter of fact, (?is said) to the (?conclusion) as a war. And, in fact, Hashim Salamat announced independence, according to an interview, for Muslim Mindanao. And he said if independence cannot be (?secured), he is ready to launch a jihad. So how do you react to people like that, who might disturb the peace process?

[Misuari] Yes, but on the other hand, some very influential members of the leaders of the MILF have been very, very persistent in assuring us of their support, unilateral support, behind the peace process, and they are even offering us that they are ready to go back to normal life should there be peace.

I am sure that once there is peace, my brother, Mr. Salamat Hashim, will be able to reconsider his proposition because I am sure that, if you will not reconsider his proposition, he will be left alone. He will be isolated because the great majority of the people here want peace.

[Benigno] An individual quoted by the GRAPHIC magazine in its latest issue said that the Christians and Muslims can never get along together, never, *according to him* — different culture, different religion, different character, different personality. They cannot go along, according to Mr. Palang.

[Misuari] Well, this is the fanatical way of looking at things. I don't subscribe to that. In fact, just a while ago, I introduced to you the Reverend (?Sedresa), who is one of the most prominent members of our negotiating panel. And, in fact, also in Zamboanga City recently, I was able to forge a pact with the leader of the Baga [Rat — Christian vigilante group] movement, Commander Ligaya was with me, and about 10 of her top commanders, and also from the Alliance for Peace of the Catholic church, and from the Philippine Council of Churches, and so many other civic and religious groups. We came together and forged a common pact to support the peace process and the restoration of peace in Mindanao.

And, if this is possible between us, why can't this be possible between Salamat Hashim, my brother Salamat Hashim, and the other communities? I think what we need is to understand the real spirit of Islam because Islam is a very tolerant religion.

If I may add one word, Islam tells us: Let there be no compulsion in religion. You see, that's why we must be tolerant. And, in fact, in the peace process, our slogan, our dictum is — as introduced by His Excellency Ambassador Yan — he said: bhineka tunggal ika. This is Indonesian language. What does it mean? Unity in diversity.

[Benigno] Mr. Chairman, but Muslims in Mindanao, over the generations, have vigorously protested that their ancestral lands have been taken from them by the Christian settlers and that there was a lot of unfairness in this grabbing of their lands. And yet, this Christians have also (?wants you to know), and they have already considered [word indistinct] weapons, and they comprise the majority and they refuse to be ejected. So how do you cope with a problem like that?

[Misuari] Well, of course this is a problem, but I would like to assure you that we have no intention of ejecting them. In fact, we are trying to consolidate our unity and solidarity with them. What we are talking about here in Mindanao is about the big-landed estates expropriated by some prominent people. You know, there are some prominent Christian citizens here who have as much as 10,000 hectares of land in their names. So these are the kinds of people we want to, you know, study.

But with regards to the small ones, you know, Mindanao is still, we still have a lot of land, and the islands, we welcome them all. What is important is we unify our rank and file with them so that we can establish durable peace and with this durable peace, we can have economic development, economic progress, and ultimately economic prosperity for all of us.

[Benigno] Mr. Chairman, some politicians in Manila — and I will not mention their names — have been suggesting that a surgical strike, quote, unquote, when launched by the military in Mindanao against the Muslim rebellion, and everything will be finished within one month only. Is this rational or do you consider it to be lunatic?

[Misuari] Well, I think this comes from the lunatic (?men), you know. Remember the last time when they started war on us, no less than Commodore Fernandez, the head of the Southcom [Southern Command] then, I guess Cencom—I don't know what—in Wescom. You know what he said when he was asked by our congressman here? Mr. Commodore, how long do you think it will take you to finish off these rebels? We have no arms at that time he said. He said in two hours time. [Benigno laughs]

Two hours. It's been now prolonged to nearly three decades. That kind of perception comes only from people who don't have what (?machine), what war is like.

[Benigno] Yes, that's true, that's true, Mr. Chairman. Mr. Chairman, this Tripoli Agreement has been the source of so much misunderstanding and bone of contention. It's like an animal that somebody sees from this side and somebody sees from the other side. And you're right, it provides for the setting up of an autonomous region — 13 provinces and all the cities that are embodied in this (?document), and yet, which you might call Paragraph 16 or Article 16 provides for constitutional process. *What seems to be happening is* it's a dialog of the dead *sometimes. And also, it looks like no one is hearing.* [laughter]

[Misuari] *That is true. The problem is due to our mistake here, because we changed our mind.* For instance, during the time of Marcos, in the beginning we're so anxious, anxious to implement it. But the moment, according to Imelda [Marcos], the moment the government had realized that they had already achieved everything that they wanted from it, then they began to, you know, digress from it until Marcos left the political scene.

[Misuari] Exactly, the same predicament was faced by Corazon Aquino. She inherited the kind of interpretation introduced by the Marcos regime at the later part of the regime when they did not want to implement the agreement anymore. In fact, this is the same dilemma faced by the president, President Ramos, because the firm interpretation of Marcos and Corazon Aquino is the same interpretation brought to us across the table. Although lately, Ambassador Yan, as I've said, already opined to us his readiness to pursue the other alternative options as a way out of this impasse.

[Benigno] Mr. Chairman, *don't you have any deadline?* Every person seems to have a deadline — a deadline for marriage, a deadline for giving birth, a deadline for some.... [pauses] *It appears that the rope of the peace* *negotiations is lengthening. Will there be a conclusion to these negotiations?*

[Misuari] *I guess that will always be our predicament in this peace process. That is why in Zamboanga City, I said to* Ambassador Yan, in the presence of Indonesian representatives and also from the OIC [Organization of Islamic Countries],*I told him: Mr. Ambassador, if it is possible, if you really intend to have peace here in Mindanao, I hope that you will not prolong the time*; consolidate the peace, and be bold and courageous in doing that. However, if indeed, they fear that it's not in your power and your desire to see the restoration of peace here in Mindanao, *well, it is up to you. What we want is for you to tell us if there is really no chance for peace here so that we can stop the peace talks.*

[Benigno] Okay, Mr. Chairman. I just wanted to ask you about this rival organization of the MNLF and then this very radical group they call the Abu Sayyaf, which was responsible for the massacre of Ipil, April last year, I think. A lot of people died during that massacre, and so I would like to think that you have something to say about this group of the Abu Sayyaf.

[Misuari] Well, you know, this is absolutely non-MNLF group. Although, I must tell you that some of the elements, including some of their top commanders originally came from the MNLF. But they are basically what we call the disgruntled elements — people who don't want us to engage in any peace process with the government because they told me, time and again: Mr. Chairman, they said, or Brother Nur, the problem is you have been betrayed so many times during the time of Marcos and the time of Corazon Aquino. Now why do you engage in this peace process again?

What they want is to continue with the war. That is what they want. But I said no. In the Holy Koran, Allah, in his wisdom, tells us that, if the enemy inclines to peace, so must you incline to peace and leave the rest to your creator. This is, and you have trust in your creator, this is in the Holy Koran. So I have to follow this, have to follow this mandate from heaven, I should say. But this people cannot accept this because they said you have been betrayed and betrayed, and they are even quoting some, you know, some sayings from the companions of the (?hole) Allah when they said that a Muslim should never allow himself to be beaten by the same snake from the same whore. I said this is a different scenario.

When I met Marcos, you see, after we found out that it was not possible to push through with the peace process, so we cut off and we went back to war. When Corazon had the same crisis with us, we also went back to war. Now, this is another administration. And the administration of President Ramos wants to have [word indistinct] for the possibility of restoring peace with us. So we said no. In the same light, we have to, you know, we have to accept the initiatives of the president. And as a matter of fact, I'm very happy to note that after two and a half years or so of peace process, we have already completed our discussions on all the fundamental issues. The only one we had is on matter of procedure.

[Benigno] Yes, yes.

[Misuari] How to put up the government.

[Benigno] That's the most difficult part. [Benigno makes inaudible comments and laughs aloud]

[Misuari] [words indistinct] as against the substance. I think this is the worst part of it.

[Benigno] Mr. Chairman, I don't know if you're at liberty to disclose to "Firing Line" the armed strength and mass support of the MNLF, but certainly you can give us an idea of how strong you are both in Mindanao and the amount of support you get from the countries abroad—especially the members of the OIC, or the Organization of Islamic Countries [as heard]. How much support are you getting there?

[Misuari] Well, first of all, about our strength: This is just a guessing game to all of us. I myself I don't know exactly how much number of forces we have, armed forces. In terms of personnel, we have plenty — hundreds of thousands of young people. In fact, we have just finished retraining about 50,000 of them, and the training program, retraining program is continuing. But, as to the armed groups, some people would say, 25, 30,000. I don't know exactly. Maybe around that area.

As regards the support we get from the outside world, at the moment people are still watching the development here of the peace process in particular. You know, we used to have large quantity of support from the outside world. But since the peace process, this has come to a halt. And now people are waiting because we are now at the very crucial juncture of our peace process. I don't know exactly whether they are going to, you know, resume their support or they will stop altogether or we will, our new, new forces, new support will come in if there is no peace in Mindanao, I'm not very sure though.

[Benigno] Mr. Chairman, *let us go back to Abu Sayyaf. You know, if we read about Abu Sayyaf in Manila our hair stands on end because of what happened in Ipil. The report we have is that Abu Sayyaf will strike again*, and they will not only strike at one town but they will strike at a number of towns, and that will cause a lot of chaos and turmoil, and the government will be pouring troops, and then we have what you might call — I don't know what kind of a scenario — but the devil scenario. [laughter] *Is there no stopping Abu Sayyaf?*

[Misuari] Regarding its own plans, *I heard about it also.* I think even without this rumor we have every reason to be, you know, to be wary of this plot, all of this plans to, you know, to explode bombs here and there because they have done this time and again. And there is no reason why they will not do it again. But so far, I am happy to note that they have not been doing this thing for the past couple of years or so. But they are telling me that once the peace process pushes through, then they will start things again. But I don't know exactly whether they will make good their threats. But as regards Ipil, I think it was not Abu Sayyaf alone that was involved. In fact, it was claimed by the so-called ICC, Islamic Command Council. And there were also some people connected with the government, with the Armed Forces who were involved. And, therefore, it was not the work of the Abu Sayyaf alone.

[Benigno] What's the Islamic Command Council?

[Misuari] Islamic Command Council is a new group. Likewise, they came from some disgruntled elements in the MNLF leadership. But these people are at the present moment not as aggressive as the Abu Sayyaf, although they claim the authorship of, officially claimed the authorship of, Ipil incident.

[Benigno] But if you take it for granted, Mr. Chairman, that the Abu Sayyaf does not want the peace process to succeed. They're out to impede it, stall it, stop it. Is it (?they'll trample) into the ground. Is that correct?

[Misuari] No, no, no. On the contrary, they want this. I think the mainstream of the Abu Sayyaf leadership would want to see the success of the peace process and so with the MILF. But what is bad is that they are threatening to resume activities once they don't see any chance of peace at all. This is the danger. And I have been telling Ambassador Yan and his colleagues, time and again, I said: Try to ask the president to consider this very serious threat. And, therefore, the president should muster all efforts and all wisdom to ensure the success of our peace process.

[Benigno] So, Chairman, you have been the target of some criticism in media, especially in the Metro Manila newspapers, and you convince (?them) that you are pounding the war drums because you want the 13 provinces for autonomous region for Muslim Mindanao to be set up without a plebiscite. And if you don't get the plebiscite *it will be* war drums. *That is what they are saying.*

[Misuari] *Not necessarily. When I said that,* that's my reading of the situation here, as I said earlier. It's my reading. MNLF can never go to an aggressive war because it is banned. It is.... [pauses] The Holy Koran tells us not to be an aggressor because Allah does not love the aggressor. There is a mandate there in the Holy Koran. That's why, ever since we have always been on the defensive.

We never go to the offensive because we don't want to displease Allah. This is the thing. But if I said that there is a possibility of war, it's because you have this Abu Sayyaf group, the elements in the MILF, the Armed Forces mobilization units. These are possible three, you know, this can (?possible) trigger off another confrontation, another war in Mindanao, not necessarily the MNLF.

If they will not provoke us, we will stay in our camps. But what we are afraid of is that these are the groups—the so-called extremist group, the fundamentalist group—these are the people who don't have the necessary patience.

[Benigno] And that would be a tragedy, Mr. Chairman, if after all those long negotiations with patience, your endurance, Abu Sayyaf comes to the scene and breaks everything, and you'll have this war in Mindanao all over again.

[Misuari] Well, this is the problem. That's why we should appreciate the effort of the president. A few days ago, I think in Cagayan de Oro — during a meeting with local government officials — he was literally pleading with them to save the peace process.

I think it's about time that the nation would give the, you know, would give the mandate to the president to exercise his executive authority and his executive power to ensure the success of the peace process.

[Benigno] Do you believe in the sincerity and integrity of the president with regard to the peace process?

[Misuari] Well, I think I cannot vouch to that, but chances are that the president really wants to have peace with us.

[Benigno] Mr. Chairman, let's go back to the Ilagas. You know, when I read in the newspapers that the Ilagas' head sought an alliance or a partnership, (?I was) absolutely stupefied because they were your sworn enemies, and they're heavily armed and they wanted to exterminate the MNLF so many, many years ago. What led to this, what you might call bringing together of the Ilagas with the mainstream of the MNLF?

[Misuari] I think, basically, the main reason is that I think we have gained some wisdom in the course of time. Both the Ilaga leadership and the MNLF leadership have come to realize that it is useless for us to be cutting each other's throats. Why not settle the problem amicably and join hands in furtherance of peace? This is exactly the motivation why I came, together with Commander Inday, and the leadership of the Ilaga movement.

[Misuari] In fact, but before that, I already had the meeting with some kind of an agreement with the head of the Alpha Omega group, which is an ally of the Ilaga movement, headed by Commander Alexander.

There's one time I was able to join, as in our talks with Ambassador Yan and the OIC and Indonesian representatives, (?I've) solution to them. I said: Look at that, look at this gentleman. We have decided to come together, we, the mortal enemies before. Now we have decided to become among the closest of friends for the sake of peace and for the sake of the oppressed humanity in Mindanao.

[Benigno] Mr. Chairman, where is this suddenly novel proposal coming from the so-called magic aid families of Muslim Mindanao? And that proposal has to do with bringing together enclaves in the specific provinces where the overwhelming majority are Muslims, or virtually Muslims, and one creating provinces or subprovinces reaching about seven or eight. And these provinces will be proclaimed as provinces, and then it's so easy to set up an autonomous region over these provinces. What do you think of that proposal?

[Misuari] Well, I think this is, this is not well thought out a formula. It is very extraneous. It will be very, very laborious. And I don't think so it will solve the problem at all because look, in Northern Mindanao for instance, there are many Muslim enclaves, Muslim communities. In northern, in Davao del Norte, in Davao Oriental, in Bukidnon, in Misamis, they were claimed to join, they will ask for the same rights. And in Palawan and all these places in Mindanao, we have always Muslim communities.

Now, if you look at it that way, then we will have parts of our territory, you know, the territorial jurisdiction outside of the 13 provinces in that case. And, besides, they said we have to take note also of the desire of the Lumads; those many of us came from the same group, from the same families, the Lumads. They want, they don't recognize what they call the colonial division of Mindanao.

They have wrote me, they have signed a petition. They call it manifesto — an outcome of their consultative summits last year in Cagayan de Oro. The tribal leaders came together, and they said we don't recognize this colonial division. We want Mindanao to have one single unity and one single autonomy. [words indistinct] they met in Davao City. Some governors, congressmen, and like that. They are demanding for the inclusion of the rest of Mindanao in the autonomy.

And now they—in fact, he's one of the most foremost leaders of Mindanaoans—the Honorable Governor Imano of Misamis Oriental outside of the 13 provinces, he has been demanding from President Ramos to enlarge the dimension of the autonomy to include the whole islands of Mindanao and Palawan, etcetera.

[Benigno] *What they said, Mr. Chairman, is that* right now, *you have not seen* what you might call the logic or the potential of this enclave proposal. *But they said: Those recommending this, if there will be disagreement, the horns are locked, and nothing will happen. You might have a look at the* enclave proposal afterwards. *Is there truth to that?*

[Misuari] *Well, I think there is no chance for that.* There's no chance absolutely. *You know what? Their idea is like taking this bunch of hair from here [gesturing to his head],* a part there. The people will laugh at you. Just as the world will laugh at us if we venture into this proposal. I don't think this will be acceptable to us.

I am sure even in Manila, or maybe in the Visayas, the kids do not like that kind of haircut. We call it patching, like that. It does not look good, does it?

[Benigno] *Like cosmetic surgery?*

[Misuari] *That would be cosmetic surgery. It will not succeed. I think, to make it smooth, to achieve peace here in Mindanao, we should have* one single trust, a powerful one so that we can ensure the success of this autonomy. And, once we'll have this autonomy, we can have this experiment in Visayas and also in Luzon so we can enlarge the dimension of our democratic freedom here.

You know, in a democracy, the greater the freedom of the people, the greater the chances for progress — cultural, social, and economic progress.

But if we will, you know, if we will limit the freedom of the people because we think our democracy (?such) that it might have, you know, the aura of a totalitarian rule, and when people have limited freedom, then I don't think we can move far enough to catch up with the progress of our neighbors here in Southeast Asia and in the world. [passage omitted]

Thailand

Thai Editorial Criticizes ASEAN Countries' 'Arms Race'

BK2103091996 Bangkok BANGKOK POST in English 21 Mar 96 p 4

[Editorial: "Counting the Cost of the New Arms Race"]

[FBIS Transcribed Text] Deputy Prime Minister Thaksin Chinnawat might not have intended to offend the military establishment when he voiced his objections to the military's 28 billion baht "Star of Siam" satellite project. His controversial remark, suggesting some military officers who want to get involved in commercial activities resign and engage directly in business, unfortunately, touched a sensitive nerve in the military.

The broadside unleashed by the armed forces against Mr Thaksin through the "Heart-to-Heart" evening programme broadcast on all military radio stations was a typical reaction of the military to criticism, particularly from civilians, to anything which questions its integrity and patriotism. A quote from Defence Minister Chawalit Yongchaiyut: "Nothing hurts soldiers more than an allegation that they are businessmen" should sufficiently explain why the military has become so hostile to Mr Thaksin. Although it has been an open secret that some generals have enriched themselves through unwarranted commercial dealings, it seems that, for the military, it is not a subject to be discussed in the open under the glare of the public spotlight.

The real issue at stake is not one of military integrity or reputation as the military broadcast has trumpeted. It is all about whether the communications satellite programme is necessary for national security. And also whether the country can afford an estimated 28 billion baht of the taxpayers' money for such a project.

For the military, the project is vital for national security, especially during an outbreak of war. It will improve communication links tremendously between commanders and soldiers in the field among the three armed forces. More important, the improved system will do away with the blind spots in communication which have plagued the existing system.

It is the same mindset, apparently stemming from the well-established school of thought which says "to remain at peace, we must always be ready for combat" which prompted the Thai military to engage in the arms race of recent years. The Navy, for instance, has placed an order for a helicopter-carrier to be delivered next year. It also plans to acquire two medium-sized attack submarines. The Air Force, meanwhile, is to procure a squadron of F/A-18 jet fighters equipped with state-of-the-art AMRAAM [Advanced Medium Range Air-to-Air Missiles] "fire and forget" missiles at a cost of 18 billion baht. Not to be outdone by the two other forces, the Army is also shopping for new side arms for its infantrymen to replace the ageing M16 assault rifles, more tanks and howitzers.

This same mindset has also affected military planners in Malaysia, Singapore and Indonesia which, like Thailand, are shopping for additional and sophisticated military hardware to strengthen their armies. The end of the Cold War has ushered in an era of peace and stability in Southeast Asia. But, on the other hand, it has also spurred a mini-arms race among friendly countries.

Thai military planners as well as their colleagues in Malaysia, Singapore and Indonesia appear to be obsessed with their own national security so much so that they seem to have overlooked the importance of regional security. Our neighbours such as Laos, Cambodia, Vietnam and even Burma, which are reeling from internal strife, will certainly feel suspicious about such military modernisation programmes in Thailand even if they are primarily meant for defensive purposes.

In the age of globalization, the concept of national security within the narrow confines of self-serving interest seems to be out of place and out of step with the emerging spirit of friendship and confidence-building in the region.

After all, an arms race will only serve to enrich the arms manufacturers and siphon away the taxpayers' money which should have been spent on more worthwhile projects for the betterment of the livelihood of the ordinary people.

Thailand: NAP Considers Leaving Coalition if Satellite Rejected

BK2203033396 Bangkok BANGKOK POST in English 22 Mar 96 pp 1, 3

[Report by Somchai Misane, Supphong Unharat and Watsana Nanuam]

[FBIS Transcribed Text] New Aspiration [NAP] will quit the coalition if the Government scraps the Star of Siam military satellite, Transport and Communications Minister Wanmuhammatno Matha said yesterday.

The NAP minister's uncompromising stand was, however, played down by party leader Chawalit Yongchaiyut, who said he would not complain if the Cabinet brought his 28-billion-baht project down to earth.

The contrasting statements from the senior NAP figures came a day after a source close to Defence Minister

Chawalit said the Government could lose the NAP if it did so.

Mr Wanmuhammatno made his party's stance on the issue clear. "If the party leader, who is a cabinet minister, cannot push for and implement a project under his own ministry, there will be no need for him to stay on," Mr Wanmuhammatno said.

He confirmed the project is government policy.

While the Government has yet to make clear its position on the project, it has stated it will promote advanced telecommunications technology.

The military needed its own communications satellite for security reasons, said Mr Wanmuhammatno, who conceded the armed forces have use of a communications channel on a ThaiCom satellite owned by Deputy Prime Minister Thaksin Chinnawat.

Mr Thaksin has strongly opposed the project on cost grounds, and the National Budget Bureau has also expressed reservations.

Mr Wanmuhammatno said the National Economic and Social Development Board, the Budget Bureau and Cabinet Secretariat had sought his view on the Defense Ministry's request and he expressed full support.

He disagreed, however, that the satellite should provide a commercial service. Star of Siam would be for security applications, he said, and the Government was bound to protect Chinnawat Satellite Co from competition in commercial satellite services under an eight-year contact signed two years ago.

Gen Chawalit was confident the project would be given the go- ahead but added: "If it is not approved, it is not approved." Talk of the NAP pulling out, he suggested, was being put about by another party to drive a wedge in the coalition.

"If the Government decides against the project, we will feel glad that we will no longer have to be responsible for this government policy," said Gen Chawalit. "I have been trying to implement all defense policies."

He said he had given the Cabinet information to explain the project and the next step was to report on its financial aspects. A study prepared by British Aerospace (BAe), estimating the cost as 28 billion baht, was too expensive, he said, and an American proposal was much cheaper and had greater intelligence applications.

Gen Chawalit did not specify the cost of the American satellite, which he described as a "spare" which could be used for another five-seven years.

The NESDB [National Economic and Social Development Board], the Budget Bureau, Transport Ministry and Cabinet Secretariat were to make clear their views tomorrow and he expected a Cabinet decision next week.

"This is a policy matter and it has to be approved, except that the Cabinet does not want it," Gen Chawalit said, dismissing suggestions BAe would be given preferential treatment because it had spent three years on the project.

Meanwhile, Phalang Tham secretary-general Sudarat Keyuraphan said her party had no power to decide on the project. She said Phalang Tham had had no say in its approval either.

She was confident the NAP would not use its 57-strong parliamentary presence to bargain for the project. Phalang Tham, she said, was worried only by the cost, but accepted the project would enhance the defence capability.

Thai Daily Criticizes Chawalit Over Satellite Project

BK2203134396 Bangkok THE NATION in English 22 Mar 96 p A4

[Editorial: "Indecisiveness Could be Fatal for Chawalit"]

[FBIS Transcribed Text] Being able to set priorities has never been a trademark of New Aspiration Party (NAP) leader Gen Chawalit Yongchaiyut. He has a tendency to go out of his way to try and please everybody. As a result, there is confusion in the Defence and Transport and Communications ministries — both of which are controlled by NAP.

As defence minister, Chawalit has virtually accepted every proposal from the the military. The Supreme Command wants a [Thai baht] Bt26-billion satellite. The Army wants a new set of tanks. The Navy wants submarines. The Air Force wants a fleet of F-18 planes with sophisticated missiles.

But the problem is that the country can't afford everything that the military wants. The budget is limited, the Cold War has ended and there is no reason for Chawalit to instigate a regional arms race. And besides, more military spending will only fuel the current account deficit — already a major problem at macro level.

No one is against the modernization of the armed forces. However, some things need to be prioritized. Chawalit is reluctant to do this for fear of not pleasing everyone in the armed forces. This has added to the confusion since all sectors of the military feel that they will be able to get everything they want. As defence minister, Chawalit must show leadership and not make military spending a political issue.

Equally confusing is the lack of working guidelines at the Transport and Communications Ministry. There are so many projects in the pipeline with conflicting aims. The ministry does not seem to know what it wants. Because of this, telecom firms have gone out of their way to promote their respective proposals and the constant lobbying has resulted in the death of the telecom master plan.

The NAP clearly lacks a working principle. The inability of the party leader to make the right decisions and his tendency to try and please everyone — for whatever reasons — severely affects Thailand's infrastructure investment and international competitiveness. At the end of the day, every issue is politicized the satellite project, the new six million telephone lines, the personal handphone project and the desire to see a reduction in cellular phone fees.

This kind of confusing leadership is not healthy for the NAP, especially if Chawalit is still harbouring dreams of becoming prime minister. While he has come a long way and has learned his lessons the hard way, having a reputation as someone who is indecisive isn't going to do him, or his party any good.

It would be a great tragedy if Chawalit allowed the politicization of the satellite project. There are indications that he will try to have the project endorsed by the Cabinet. Otherwise, his party might pull out of the government. He has also given the green light for the military to hit back at Deputy Prime Minister Thaksin Chinnawat for criticizing the satellite project due to its high cost.

Both have evaded answering the question as to whether Thailand really needs a military satellite. The military's scathing response to Thaksin's criticism of their project has also led to speculation that Chawalit is trying to build up his political strength in the military — something that will only hurt and not improve his image.

Thai Editorial: Banhan Must Approve Satellite Project Eventually

BK2103131896 Bangkok THE NATION in English 21 Mar 96 p A2

[Unattributed commentary: "Chawalit's Trusty Defense 'Sword' Hangs Over Banhan's Exposed Head"]

[FBIS Transcribed Text] Whether he likes it or not, Premier Banhan Sinlapa-acha will eventually have to approve the defence satellite project, which will in turn groom Defence Minister Chawalit Yongchaiyut as a formidable rival for the prime minister's seat.

Banhan can blame no-one but himself. After all, he handed the sword to the New Aspiration Party [NAP] leader.

The Chat Thai leader made a grave mistake in giving the defence portfolio to the leader of another political party, thus allowing ambitious Chawalit to politicize the military and use it as an effective tool in reaching for his goal — the prime ministership. To achieve this goal, to lead the political party with the most MPs, would require a lot of money. Big business is an obvious source.

But the NAP leader knows that he has to do these businesses a big favour before they come to him with financial support for future elections.

That might be why he has been actively pushing the defence satellite project.

He has hinted the government might get the system for free and that the two satellites would also have commercial applications.

Other telecommunications interests are known to be keen to break the stranglehold on the satellite uplink business held by the Chinnawat Computer and Communications Group, and the defence satellite system would be a good opportunity.

An indication of just how far Chawalit has politicized the military was the mobilization of senior military officers to attack Deputy Prime Minister Thaksin Chinawat, the owner of the Chinnawat telecommunications empire.

The attacks came after Thaksin said that the defence satellite was not necessary and that the military should not be involved in business.

Although those senior officers just might have responded to Thaksin out of a genuine intention to "protect the honour" of the military, several of them are known to be very close to Chawalit.

Lt Gen Rattana Chaloemsaenyakon, the Supreme Command spokesman, criticized Thaksin on air on Tuesday after meeting Chawalit and Supreme Commander Gen Wirot Saengsanit.

It was the first time so many senior military officers had responded to a Cabinet member since the 1991 coup against the Chatchai government.

Neither the Anan administration nor the Chuan government faced a similar situation because they did not appoint a politician as defence minister. Instead they gave the post to professional soldiers.

Chawalit well knows that Banhan is afraid of the sword he has placed in his hand. Chawalit has become so confident the project will get approval, he has proposed it to the Cabinet for acknowledgment as the first step.

He is virtually looking down on the Cabinet, indicating that it is too much to expect them to understand the concept of the system so he proposed the project a few steps at a time.

The first step was to just "inform" them, not even ask for approval.

Banhan will find it difficult to reject the new defence system now.

Should the try, he could well find Chawalit mobilizing the soldiers into a campaign against the government, on the grounds it was trying to protect the interests of the Chinnawat empire instead of "the country's interests" — as the soldiers always put it.

Vietnam

SRV: Nguyen Manh Cam Views Relations With U.S.

BK2103105696 Hanoi Voice of Vietnam in English 1000 GMT 21 Mar 96

[Unattributed report on interview with Foreign Minister Nguyen Manh Cam by unidentified TUOI TRE magazine correspondent; place and date not given]

[FBIS Transcribed Text] Foreign Minister Nguyen Manh Cam said Vietnam is now seeking a suitable ambassador for the United States. He was being interviewed by the Youth [Tuoi Tre] newspaper on the Vietnamese-U.S. relations. Here are excerpts from the interview:

Foreign Minister Nguyen Manh Cam said it was taking time to achieve a trade agreement between Vietnam and the United States, an important milestone in bilateral cooperation. In early March, a U.S. presidential delegation made a working visit to Vietnam. On this occasion, the two sides again agreed to meet soon for further negotiations on the trade agreement.

The foreign minister commented on the Federal Bureau for Investigation calling on Vietnamese living in the United States to cooperate in finding out who were Vietnamese spies in America. Foreign Minister Nguyen Manh Cam said it was a groundless allegation running counter to the current development in bilateral relations between Vietnam and the U.S..

Mr. Cam said the FBI message divided the Vietnamese community legally living and working in the U.S.. And he said the Vietnamese Foreign Ministry has officially protested against such charge and the U.S. Government has officially asked the FBI to stop allegations.

Regarding the appointment of the American ambassador to Vietnam, Foreign Minister Nguyen Manh Cam said Vietnam welcomes all those who have contributed to the development of cooperation between the two countries in the principle of respecting for each other's independence and noninterference in each other internal affairs.

SRV Spokesperson Comments on Cambodian Border Dispute

BK2203060996 Hanoi VNA in English 1510 GMT 21 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 21 — In general, no critical problem had happened in the border areas between Vietnam and Cambodia, and Vietnam had always observed the agreements reached during high-level talks between the two countries, says a spokesperson for the Foreign Ministry at the regular press conference held here today.

Basing on those agreements and with wish to maintain a peaceful and friendly border between the two countries, the Vietnamese side had put forth the initiative that two expert working groups should meet as soon as possible and Vietnam (?is) waiting for the response of the Cambodian side, the spokesperson said.

He expressed Vietnam's regret at a number of acts and expressions that did not agree with the current situation at the Vietnam-Cambodia border and went against the interest of the friendship as well as the aspirations of the peoples of the two countries, and did not conform with high-level agreements reached between the two sp. [sentence as received]

The two sides had previously agreed to hold meetings between leaders of the two countries regularly to promote the mutual understanding, to discuss measures to boost relations and solve arising problems including the border issue, the spokersperson said, adding that in conformity with that agreement, Prime Minister Vo Van Kiet is ready to meet Cambodia's two prime ministers at a time and place convenient to both sides with arrangement through the diplomatic channel. Such a meeting, he said, needs preparation of concerned organs of the two countries so as to achieve the desired result.

The spokesperson stressed that to create a favourable atmosphere for high-level meetings and for the development of general relations,the two sides should observe a constructive,self-controlled attitude to show mutual respects, and both sides should refrain from any acts that could further complicate the situation.

SRV Spokesman Explains Stance on Cambodian Border Issue

BK2203120996 Hanoi Voice of Vietnam in English 1000 GMT 22 Mar 96

[Station commentary]

[FBIS Transcribed Text] The spokesman of the Vietnamese Foreign Ministry has many times issued statements and made speeches at the international press conferences, reaffirming Vietnam's stance to solve the border issue with Cambodia through peaceful negotiations. Following are excerpts from latest statements of the Vietnamese foreign spokesman with regards to the situation at Vietnam-Cambodia border and to the proposal of Cambodian First Prime Minister Ranariddh to meet Prime Minister Vo Van Kiet in early March:

On 19 January, the Vietnamese Foreign Ministry spokesman reaffirmed that Vietnam's unchanged stance to respect independence, sovereignty, territorial integrity of all nations, trying to build the border of peace, friendship with all neighboring countries, including Cambodia.

In this spirit, Vietnamese leaders had agreed with their Cambodian counterparts that all border and territory issues should be settled through peaceful negotiations. To implement this agreement, the two sides set up a mechanism, in which all the questions should be considered and solved at local level. They could only be submitted to the working groups on border issues of both sides for settlement if necessary. It is a pity that so far, the mechanism has not yet been used.

Once again, Vietnam reaffirmed its above-mentioned principle's stance and wished that the mechanism already reached at high level would be used to solve all differences, if there are any, for peace, stability, friendship, and cooperation, which have been developing finely between Vietnam and Cambodia.

In fact, the situation at Vietnam-Cambodia border in recent days has been quiet and there has been no serious question. The Vietnamese side has always strictly implemented the mutual agreement reached between leaders of the two countries on this issue.

The Vietnamese and Cambodian Governments have agreed upon principles to solve all the pending issues, including border issues and to set up a mechanism from grassroots to central levels to solve all arising border questions, set up working expert groups to discuss the border delineation and appropriate measures, to maintain border security and stability. The Vietnamese side also proposed that the first session of these working groups should meet in Phnom Penh from 18 to 24 March 1996 and was looking forward to the answer from the Cambodian side.

Regarding proposals that First Prime Minister Ranariddh meet Prime Minister Vo Van Kiet in Vientiane, Laos in early March, Prime Minister Vo Van Kiet explained that he was prepared to meet his Cambodian counterpart but in March he was busy with many important work, especially the ninth session of the National Assembly starting from 2 March and the preparation for the coming conference of the party Central Committee. For this reason, Prime Minister Vo Van Kiet has proposed to meet Prime Minister Ranariddh in Ho Chi Minh City or elsewhere in Southern Vietnam at the convenient time. And if Mr. Ranariddh still wanted to meet in Vientiane, Prime Minister Kiet would be happy to arrange a meeting at the convenient time for both sides.

In answer to a question of foreign newsmen about the statement of the first Cambodian prime minister, Mr. Ranariddh on 15 March, that military measure should be used to solve the border issue with Vietnam, the spokesman of the Vietnamese Foreign Ministry again pointed out that Vietnam's stance from Vietnamese-Cambodian border issue has been clearly expounded in the 19 January and 7 March statements of the Vietnamese Foreign Ministry as well as in recent speeches from the Foreign Ministry spokesman recently.

SRV: Sihanouk Cited on Commitment to 'Great Friendship'

BK2203152796 Hanoi VNA in English 0654 GMT 22 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 22 — Cambodian King Norodom Sihanouk has affirmed his commitment to strengthening the great friendship between the Cambodian and Vietnamese peoples and expressed his wish for further development of the time-honoured relationship between the two countries which closely bound them in their fight for national independence and the present cooperation for the sake of the prosperity of each country.

The king made these comments during a reception in Phnom Penh yesterday for a delegation of the Communist Party of Vietnam (CPV), attending the second congress of FUNCINPEC, (the National United Front for a Cooperative, Independent, Neutral and Peaceful Cambodia), one of the two ruling parties in Cambodia.

The king said importance should be attached to the friendship, and all arising problems should be solved through peaceful negotiations. He was optimistic about the future of the relations between the two countries that will bring about happiness for the two peoples.

King Sihanouk thanked the CPV for sending the delegation to attend FUNCINPEC's congress, and expressed his pleasure at the relations among the CPV, FUNCINPEC and the Cambodian People's Party, the three ruling parties of Vietnam and Cambodia. He hoped for the promotion of bilateral as well as trilateral relations among the three parties so as to further boost the friendship of the two countries.

He expressed his deep gratitude for the fine sentiment and friendship of the CPV General Secretary Do Muoi, state President Le Duc Anh, other state and party leaders and the Vietnamese people towards the king, the queen and the people of Cambodia, and his personal thanks for the hospitality given to him during his Vietnam visit in 1995.

The head of the Vietnamese party delegation, Mr. Hong Ha, secretary of the CPV Central Committee and head of the CPV Committee for Foreign Relations, extended best regards from General Secretary Do Muoi and state President Le Duc Anh to the Cambodian king And queen. He also highly appreciated the precious sentiments of king Sihanouk towards the Vietnamese people.

Mr. Hong Ha gave a speech of greetings to the FUNCINPEC congress at its opening session in Phnom Penh yesterday morning.

SRV: Party General Secretary Do Muoi Leaves Vientiane

BK2203092696 Hanoi VNA in English 1518 GMT 21 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 21 — General Secretary Do Muoi and his party who have been in Vientiane to attend the 6th National Congress of the Lao People's Revolutionary Party (LPRP) left the city for home this morning.

They were seen off by Chairman of LPRP Central Committee Khamtai Siphandon and other senior officials of the lao party.

In his message of congratulations to Mr Khamtai Siphandon on his re-election as chairman of the Lao People's Revolutionary Party, Party General Secretary Do Muoi expressed his firm belief that the Lao people under the leadership of the LPRP with Mr. Khamtai Siphandon as chairman will obtain greater achievements in the implementation of the 6th congress's resolution, continue speeding up the renovation process and building laos a country of peace, independence, democracy, unification and prosperity and actively contributing to peace, friendship, cooperation and development in the region and the world.

He said he wished that the special friendship, solidarity and multi-faceted cooperation between Vietnam and Laos would be unceasingly consolidated and developed. He also wished Mr Khamtai Siphandon the best of health .

SRV Party Daily Praises Success of Lao Party Congress

BK2103144496 Hanoi Voice of Vietnam in English 1000 GMT 21 Mar 96

[Station commentary]

[FBIS Transcribed Text] The sixth congress of the Lao People's Revolutionary Party ended in Vientiane on 20 March. The Vietnamese leading newspaper NHAN DAN on Thursday ran an editorial hailing the event. Following are excerpts from that editorial:

The sixth congress of the Lao People's Revolutionary Party which took place on the party's 41th anniversary was the milestone marking its rapid growth to build Laos into a country of peace, independence, democracy, unification, and prosperity.

Three hundred and eighty one delegates representing 78,000 party members throughout country discussed and passed a political report, amended laws, and elected a new central committee with Mr. Khamtai Siphandon as its head. The congress appreciated the comprehensive achievements in national construction and defense recorded by Lao people in the last decade. These involve economic renovation and implementing resolution of the fifth party congress.

Laos has followed the foreign policy of peace, independence, and cooperation with all countries, especially neighboring and regional countries. Laos also plans to consolidate and strengthen the special relationship with Vietnam to make it more fruitful. Laos is also preparing to join ASEAN.

The editorial continued in the political report, the Lao People's Revolutionary Party has identified orientations, tasks, and further steps to carry on the renovation process till the year 2020, suitable with the country's reality which is to lead the country out of the low development level and to obtain rapid socioeconomic change with model agriculture, industry, and high standards of living.

Stemming from that long-term strategy, the Lao People's Revolutionary Party also set up concrete targets for the 1996-2000 period. These are to achieve an economic growth rate of between 8 and 8.5 percent and a projected income of $500 and to lay the ground for Laos to enter a period of industrialization and modernization in the follow-up period to solve food shortages in some areas.

The sixth party congress pointed out the domestic and foreign goals were basically to develop a people's democratic regime and to steadily enter the 21st century.

The editorial also quoted the speech delivered by Party General Secretary Do Muoi at the Lao party congress, reaffirming the determination of the Communist Party of Vietnam and the Vietnamese people to do their best for the development of special relationship between Vietnam and Laos and reaffirmed the success of the sixth congress of the Lao People's Revolutionary Party was the great encouragement to the Lao people on the way to socialism.

SRV: Fuller Version of Vo Van Kiet Addressing Assembly

BK2203054396 Hanoi NHAN DAN in Vietnamese 13 Mar 96 pp 1, 3

[Fuller version of speech by SRV Prime Minister Vo Van Kiet to the Ninth National Assembly in Hanoi on 12 March; supplying portions not included in the "excerpt" of the speech filed from Hanoi Voice of Vietnam Network in Vietnamese, published in the 19 March EAST ASIA DAILY REPORT on p 99; explanatory notes describe differences from the Hanoi radio version]

[FBIS Translated Text] [First two grafs not included in Hanoi Radio version] Dear Presidium Members, Dear National Assembly Deputies: First of all, on behalf of the government I would like to thank the National Assembly deputies for contributing many frank opinions about the situation of the country and the performance of the government, which was reported to you by Comrade Deputy Prime Minister Phan Van Khai. I am delighted to witness great consensus and a deep sense of responsibility from the National Assembly regarding the government report. At the same time, I welcome the questions raised by the National Assembly deputies regarding the clarification of various issues. Before the comrade ministers present their reports on behalf of the government on issues about which the National Assembly has requested answers or further explanation, I would like to stress the three points that I hope will attract prime attention from the National Assembly.

First: The whole country needs to mobilize all of its resources to maintain the existing pace of economic development and growth and to implement successfully all of the 1996 socioeconomic tasks, thus creating the momentum for the development period to the year 2000 and preparing for ever stronger steps into the next century.

At its eighth session, the National Assembly unanimously approved the 1996 socioeconomic development plan and major development orientations to the year 2000. We clearly understand that those are very high expectations and require greater efforts compared with the past five years. We unanimously agree that this is the only way to meet our country's development needs and to enable us to face all challenges and steadily integrate into the very dynamic growth of the region and other parts of the world.

In fact, with the successful completion of our five-year plan, our country has faced even greater and higher development needs compared with the past. Growing demands appear in all aspects of social life and require better problem-solving methods. Therefore, failure to meet those requirements will not only cause the pace of national development to slow down but will also make it difficult for our country to maintain its past achievements and avoid new problems. Nowadays, every day and every hour, we face a growing need for infrastructure, capital, energy, technology, employment opportunities, education, health care, human resources development, and so forth.

The projected development needs that I have already presented at the many National Assembly sessions and government meetings could now become outdated compared with the demands of life. This means that the country as a whole must make greater efforts than before.

With regard to external relations, we see that our country's foreign trade index, direct foreign-invested capital, and other forms of external relations are constantly on the rise. This also means that the process of linking our country's economy with the regional and world economies now becomes more dynamic with every passing day and raises higher demands and greater challenges.

Following our country's admission to ASEAN, we have many tasks to carry out and must compete in a feverish race to qualify for participation in AFTA.

To help our country's products have greater access to the world market, we have many tasks to perform now in order to gain participation in the World Trade Organization (WTO) at an early date. We will have to try by all means to quickly increase our foreign trade index and draw more capital and technology from the outside world to meet domestic development needs.

The objective of my review is to stress that we should under no circumstances belittle the need for a faster and steadier pace of national development based on socialist orientations. Instead of counting on other sources, we should rely primarily and mainly on our country's own potential.

It is my hope that the National Assembly deputies will concur with those views and contribute positive suggestions so as to make each locality, each economic sector, and each business installation as well as each producer and each business person countrywide uphold the determination to bring into full play their potential to serve the goals of fast development. We need to sharpen this determination to accelerate national industrialization and modernization and consolidate the ability to face all new challenges.

Please allow me to stress that given our country's existing financial standing, the state budget can only provide very humble allocations for infrastructure building, education, health care, and a number of other public utility projects. This means that development investment capital must be based mainly on efforts to mobilize all potential in society.

Even if we want to attract external resources, we must at first mobilize all our internal ones. If we realize this, then we can set good policies to foster and mobilize them, increase savings and investment, better use our existing capital, and overcome the habit of reliance on others such as on state funding, requests for the retention of state revenue, and expectations of foreign financial aid. I suggest that National Assembly deputies do everything to make the entire nation understand that and put the above ideas into practice.

In bringing up this issue, we need to reexamine whether the current view and policies have met all the requirements to enable us to foster and mobilize all resources for national development. All the tasks of the different branches and echelons, from the management of business, production, finance, and monetary to social management, must be regularly checked with these central requirements. Every locality and every economic sector will need to pay attention to the mobilization of resources for their own development. We will not allow any money to stay idle and we cannot ask for state funding for every task and difficulty we come across.

This does not mean that the government will not bear any responsibility and leave all problems to local authorities to solve. At present, only 14 provinces and cities in the entire country contribute to the state budget. The government has to provide financial support to the remaining localities. Therefore, we have no other choice than to mobilize all of society's potential, not to mention the need to do our best to control inflation.

In reality, in the various provinces and enterprises, it has been proven that the more effort we make, the better success we enjoy, even when other resources are mobilized. In contrast, the more we rely on aid from the central level, the longer results take to emerge and the more subdued. The prevalent and urgent issue for all localities is the severe lack of sources of capital to meet the minimum demands of infrastructure development and the improvements for education and health care.

On education, the government spends about 500,000 dong each year for a student. This is not insignificant, compared to our current GDP. However, compared to demand, it is a drop in the ocean. So, what can we do? We cannot just complain and criticize. We also cannot increase taxes and print more money just for spending. I suggest that the National Assembly think about this and offer views and the most positive measures to deal with this to the government.

On one hand, I think we will find ways to make more efficient use of state allocations. At the same time, we have to mobilize all our public resources and improve on the government's policy of working together with the people.

If we allow foreigners to invest in infrastructure under the BOT [Build-Operate-Transfer] scheme, then we have to encourage our people and investors to do this too. At the same time, I would like to suggest that the National Assembly boldly think and suggest ways to generate more fund for public organizations and to allow the private sector to set up education and health care services to best serve our increasing demands.

These are very practical issues arising from the demand to mobilize all of society's resources and to invest in national development. Regardless of the strains caused by the different demands of national management, supervision and development, top priority must continue to be given to the fostering and mobilization of all of society's resources for investment growth.

Second: The determination to perfect the national financial system. [changing ordinal number 2 in Hanoi Radio version to "Second"]

[The following four grafs were not included in the Hanoi Radio version] First, I sincerely thank the National Assembly deputies in this session for your special concern regarding financial and monetary issues, as well as budget revenues and expenditures. The National Assembly has properly evaluated the government efforts and has contributed many important suggestions.

I would like to inform you that the duty to make the financial and monetary system healthy is always considered one of the most central duties of the government in the economic development process and in the improvement of the state's macromanagement capacity. The report by Deputy Prime Minister Phan Van Khai has revealed all the achievements and shortcomings, and has also reviewed all deficiencies that have occurred thus far in various fields. In 1995, the government has carried out many resolute measures and has held some 70 meetings to discuss inflation control, budget revenue and expenditure management, and the improvement of the national financial and monetary system. These activities have actively contributed to the stability of the economy.

The national financial system, however, is still weak and unable to function as an effective tool of economic macromanagement. It failed to contribute to the mobilization of the country's development potential and opened the way for waste, embezzlement, and corruption. In the past several years, and especially in 1995, the government has made special efforts in the improvement of tax policy, budget balance and management, application of new accounting methods, enhancement of financial auditing, further development of the commercial banks system, and encouragement for the expansion of monetary and capital markets. We have to admit, though, that we are only at the beginning phase, and we have been getting nowhere in certain areas—for example, in the establishment of a stock market. Our financial system is still way behind the demands of economic macromanagement and economic integration and exchange with the world. In the period to come, therefore, we will have to put much greater efforts into this field.

Please allow me to hereby outline some ideas that will guide our future efforts in the financial and monetary field.

First of all, it is necessary to affirm that the demand to improve the tax system has become more urgent each passing day. In reality, it is still very complicated, has duplications, and is riddled with many inappropriate tax brackets and rates. The tax system is very costly to administer and is filled with loopholes, thus opening itself to abuses. It also does not foster stronger economic development. In addition, the collection mechanism also suffers from many weaknesses.

We have to reform our tax system soon. Every business with profits and income must pay taxes, and we must see that this system of fairness and obligation is maintained. However, we should also introduce appropriate steps to encourage the legal amassing of wealth, reduce tax evasion, and overcome the collection shortafalls by simplifying revenue sources. A simple, open, and clear tax system that easy to manage and less costly to implement with low and reasonable tax rates will foster and create new revenue sources; broaden taxation; encourage savings, investment in the production renewal process and investment; and attract various types of capital and foreign investment. It will result in increased revenue for the state budget, accelerate economic development, and develop the external economy. Especially, it will enable our exports to compete and our country to participate in the ASEAN Free Trade Area and the World Trade Organization. History has proven that such a tax system has a great impact in the early stages of the industrialization process in many newly industrialized countries.

Together with the tax reform, the government will continue to speed up the use of the new accounting system and expand auditing. At the same time, the government will make our accounting and auditing systems more suitable with common international accounting and auditing standards.

With regards to the improvement in the management of the state budget: Our national development demands that we introduce early on a state budget law to meet the two most important requirements — encouraging and creating revenue sources to meet the spirit of self-reliance for national construction and protection; and enhancing the uniform and efficient management of budget collection and expenditure nationwide.

There were many views expressed in this session about the division of authority and duties on budget management between the central government and provinces, and the generation of self-motivation among the localities and units in drafting the budget. In the bill on the state budget presented to the current session of the National Assembly for approval, the government proposes that a stable revenue source be allocated to all localities for three to five years. This will replace the current practice of two years. The people's councils will be given full power in making decisions on the management and allocation of their own budgets. Depending on the results, the authority will actively mobilize and broaden the revenue sources. These are the first step in the process to modernize and improve budget management. We still need to consider futher steps.

About the organization of the finance sector: At present, there is a lot criticism of the organizational mechanism of the finance sector, which is already bulky and becoming more so with the administrative reform. The government will seriously study this issue and continue to improve its mechanism to make it suit the requirements of national development. Right now, we can say that the organization and personnel from the finance sector will need to study and make improvements. The relationship between this sector and the local authorities also needs to be rebuilt to make it a closer one. The government will continue to work this way.

I would like to cite the following to provide more ideas for all of us to consider:

The former finance sector structure was unwieldy where it concerned the distribution and the turning in of funds and seemingly took no responsibility in using resources efficiently. The new management must overcome this shortcoming. At the same time, it must reduce state intervention in business and production, increase the independence of enterprises, and fully enchance the role of state macromanagement.

During the administrative reform, we plan to enhance the efficiency of the state management and eliminate the structure of having one management agency.

Consequently, the organization of the finance sector needs to be strengthened and perfected. We will continue to examine whether the current acceleration and strengthening are appropriate. We will reasonably increase staffing and form new organizations to ensure results. If the organizations of the new finance sector do not overlap and if they improve state control and the uniformity of the national financial system, we will have nothing to worry about. If these requirements cannot be attained, we have to readjust the system.

Some deputies' want to reduce the vertical management style of the finance sector and supplement it with local management. However, as I have presented in the part on the state budget, the assurance of uniform management in national finance is still the most important priority. This is a requisite for strengthening the economy of the entire country. The government will continue to consider all suggestions. Also, I would like to suggest that deputies pay more attention to enhancing the state management role of the organs of the state administration in every locality and improve on the quality of the cooperation between the local administrative organs and the vertical administrative section. With the different divisions, there is always the danger of alienation and separation. To strengthen the link between the vertical and horizontal management systems of localities is one of the most urgent demands of administrative reform.

To advance the practice of thrift and the fight against corruption. Though the state budget is tight and we are still short of revenue sources for essential major expenditures, wasteful spending and corruption have not shown any decline. This not only causes serious damage to the economy, but also undermines social values. Realities show that the fight against these ills requires persistence on our part and widespread support from the masses.

First of all, the government will follow the policy that allows wider scrutiny of financial regulations, spending management procedures, accounting and auditing records. All cases of corruption and embezzlement discovered so far will be handled strictly. Based on our experiences from the campaigns to ban firecrackers, to restore traffic order and safety, and to fight harmful cultural products and social vices, the government will take broad measures to encourage a frugal lifestyle and to fight against corruption. I solemnly request all National Assembly deputies, regardless of your respective locality or sector, to encourage your constituents to practice thrift enthusiastically and participate actively in the fight against corruption and waste.

Third: We should push administrative reforms forward to create more favorable conditions for the renovation. We should thoroughly implement the Party Central Committee's Eighth Plenum resolution on continuing to building and refine the state of the Socialist Republic of Vietnam, the core task being to reform the national administration by one step. In 1995, government made efforts in all three areas, namely in administrative regulation reform, state administrative structure modification, and improvement in the recruitment and training for public service employees. We have combined eight former ministries into three new ministries, established a number of general departments, set up 16 general corporations, and reorganized offices in the provinces and cities to make them compatible to adjustments made in the governmental structure. We have reformed and simplified many administrative procedures. So far, we have fulfilled many tasks in various areas related to public service, such as the establishment of nearly 200 positions, ranks, grades, and relevant criteria for public service employees.

This is a lot of work, but in comparison to the demand, the administrative reforms program has not been able to respond adequately to the demands of the new period in heightening the efficiency of the state management structure. Realities show that there are still many other issues that need to be clarified, such as determining the relationship between sector and local management, and between state and business and production management, along the direction of eliminating intermediate management levels. In fact, there are still many lengthy and overlapping administrative procedures that cause inconvenience and waste, opening the way for negativity. Many official reforms, after they have been ordered, have not been appropriately carried out. The handling of litigations, disputes, and complaints is still very slow and the backlogs of the relevant agencies are growing. The law and regulations on trial conduct and the execution of court orders still show flaws, and in fact there are still conflicting clauses or differences between laws and other legal documents. This is especially serious in land management, finance and tax management, company formation, business registration, and implementation of the Law to Encourage Domestic Investment. There are still serious shortcomings and large gaps in these areas, causing not only huge losses to the economy and in national assets and energy, but also obstructing the fight against corruption.

All the aforementioned elements actually hamper the dynamic development of our country, causing great wastage in resources which could have been used to speed up development. These elements also weaken the legal system. In some extreme cases, law and regulations become totally invalid. This explains why our legal system, though it has developed to a relatively significant level, lacks efficiency. The liberation of development potential in society and the fight against corruption and negativity have not yielded satisfactory results. Social security and discipline are still seriously violated.

We all see that administrative reform is a very difficult task, but there can be no excuses for further delay. Many comrades have commented correctly that domestically, corruption and negativity in the state mechanism are the most serious threats to all our revolutionary accomplishment. I agree with this, and think that the administrative reform program and measures to rectify these weaknesses are among the most important measures in the fight against corruption. The program also contributes decisively to the liberating the country's development potential.

[The following graf was not included in the Hanoi Radio version] Dear National Assembly Deputies: I just presented the three issues that I hope will receive the special attention of the National Assembly, because the proper handling of these three issues will bring new abilities to our people. In the past several months, I had traveled to many localities and felt so happy to see the enthusiasm and determination of the people in grabbing new favorable opportunities and striving for higher achievement while wholeheartedly preparing for the Eighth National Party Congress.

At the start of the year, the government made its resolution to overcome the usual bad habit of waffling at the beginning of the year and then rushing through when the end of the year draws close. The system is to actually work from the beginning of the year. The government is urgently directing sectors and localities to continue their efforts to fulfill the tasks for the first quarter, and to strive for higher merit in the second to greet the Eighth National Party Congress. This is also the government's determination to direct sectors and localities to fulfill the 1996 socioeconomic development plan, and to score the first success for the 1996-2000 five-year plan.

Thank you sincerely.

Australia

Melbourne Rejects Papua New Guinea's Request for Support

LD2203103596 Melbourne Radio Australia in English 0900 GMT 22 Mar 96

[FBIS Transcribed Text] Australia has rejected a request from Papua New Guinea for extra logistic support for its new military offensive on Bougainville.

Australia's defense minister, Ian McLachlin, says Australia will give no special assistance to the Papua New Guinea Defense Force. Mr. McLachlin said the PNG government had made a general request for more logistic support. But Mr McLachlin said Australia wanted the Bougainville dispute resolved peacefully. He said Australia supported the PNG government but would encourage Port Moresby not to escalate the fighting. Australia will continue its existing supply arrangements under which Papua New Guinea can get non-lethal supplies such as ration packs.

The Bougainville Transitional Government and its leader, the provincial premier, Theodore Miriung, may have a limited future. Sean Dorney reports that the transitional government was established in March last year and Mr. Miriung was sworn in in April. But PNG's prime minister, Sir Julius Chan, has announced his cabinet now wants Bougainville's special status to end.

[Dorney] In his nationwide address announcing the end of the ceasefire on Bougainville, Papua New Guinea's prime minister, Sir Julius Chan, said past concessions to Bougainville had not brought about a political settlement. He said the transitional government's ability to help solve the conflict had been diminished because the rebels had abused and compromised its attempts at peace. Sir Julius said his cabinet had directed that Bougainville must now operate under the same reforms applying to all 19 other provinces. If that's to be, the new governor will be the member for Bougainville, John Momis, who 20 years ago (?led) the then secession movement.

Australia: Downer To Pay More Attention to Ties With Wellington

BK2003024096 Melbourne Radio Australia in English 0500 GMT 20 Mar 96

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, says the new coalition government will give more attention to New Zealand than the previous government. Mr. Downer says the cross-Tasman relationship is important for both countries and for their future dealings with Asia. The minister says talks in Sydney today between Australia's prime minister, John Howard, and the New Zealand prime minister, Jim Bolger will set the ground rules for the future relationship.

[Begin Downer recording] We will be making a point that we are not taking this relationship for granted. There is tremendous progress we can make in the future in closer economic relations with New Zealand, in terms of cooperation together in our dealings with Asia and our thrust towards Asia, and so I look forward to a constructive relationship with them and between Mr. Howard and Mr. Bolger. [end recording]

Australia: Foreign Minister Urges Restraint on Bougainville

LD2103112596 Melbourne Radio Australia in English 1100 GMT 21 Mar 96

[FBIS Transcribed Text] Foreign Minister Alexander Downer says the Australian Government doesn't believe there can be a military solution to the Bougainville problem and he is calling for restraint. Mr. Downer says Australia would like to see the peace process revived, as the security situation is preventing delivery of much-needed aid to help restore Bougainville's economy.

Australia: Securities Commission Launches Internet Home Page

LD1903110096 Melbourne Radio Australia in English 0900 GMT 19 Mar 96

[FBIS Transcribed Text] Australia's corporate watchdog has logged on to the information superhighway in an attempt to crack down on shonky [Australian for "dodgy"] businesses and help protect small investors. The Australian Securities Commission [ASC] has launched a home page on the Internet world computer network. It has also set up a hotline phone number, which people can call for advice on company law and financial advisers, as well as to report corporate misconduct.

ASC chairman Alan Cameron says the infoline service will help potential investors to make better choices. Mr Cameron says the infoline will not provide investment advice, but will help people who want to know how to choose an investment adviser. It will also allow the Securities Commission to hear about problems people are having with their investment advisers and to follow up complaints.

Australia: Daily Views 'Parlous' State of Economy

BK2103091396 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 21 Mar 96

[Editorial: "Growth is Good for Howard" — received via internet]

[FBIS Transcribed Text] As the leader of the opposition, Mr. Kim Beazley, noted yesterday, there was plenty of talk by the coalition during the recent election campaign about the parlous state of the Australian economy, including claims that Treasury had advised the Keating government that growth in the December quarter would be negative. Yesterday's national accounts figures have shown that speculation to be wrong. What's more, at 0.5 percent the lift in GDP, while hardly robust, has turned out to be stronger than many economists had been forecasting.

With the election behind him, the new prime minister, Mr. John Howard, can now forget the claims made during the campaign and instead capitalise on the better-than-expected economic performance. In particular, there is a reasonable chance that Treasury's forecast of a 3.25 percent lift in GDP for 1996-97 will turn out to be conservative. What's more, recent figures on the United States economy point to the possibility that that huge growth engine is in the process of moving up a gear or two, while both Germany and Japan, although still struggling to reignite growth, are showing signs that the coming year will produce a solid lift in industrial production. Such developments, but particularly the strengthening of the U.S. economy, will add further impetus to Australia's economy.

Perhaps the worst aspect of this, as shown by the national accounts, is the way a lot of this country's growth is still being driven by consumption spending, not new investment. Gross fixed- capital expenditure slid by 2 percent in the December quarter, with spending on new equipment continuing to dip, albeit from a relatively solid base.

While this fall partly reflects the stage of the economic cycle, it is also the result of lacklustre business confidence, something the new federal government needs to address by demonstrating that it is serious about pursuing its micro-economic reform agenda, in particular, the promised overhaul of the labour market.

The other agenda it needs to show no sign of backing away from is its plans for bringing the federal budget quickly back into surplus. Yesterday's figures, and the likelihood that growth will be stronger than expected over the next few years, will make this task easier than it would otherwise have been.

In such an environment the Government could well be tempted to take a softer line on spending cuts and instead let stronger growth take more of the burden for delivering the budget surplus, a goal it would further due to the way it helps lift the tax take while at the same time reducing the total cost of unemployment benefits.

The treasurer, Mr. Peter Costello, should resist this temptation. As he has stated on a number of occasions, the previous Government can be criticised for its failure to get the budget in surplus when growth was strong. The new government must not make the same sort of mistake. Instead, it has to ensure it doesn't become seduced by the benefits of growth and so tempted to take a soft line on spending cuts.

At the same time it should take the opportunity to look more closely at the need to shift some of Australia's tax burden onto the service industry, particularly restaurant and cafe meals and hotel accommodation.

As yesterday's national accounts highlighted, Australia is continuing to experience a huge growth in the amount spent on these services. Restaurant and cafe meals, in particular, are examples of discretionary spending which have the potential to generate substantial revenue through the imposition of a services tax — revenue which can be used to cut taxes on income, both personal and corporate.

In the case of taxing tourist accommodation, although the hotel industry is quick to argue that this would have a major impact on demand, the evidence here is far from clear cut. Certainly there is little sign that the "bed tax" imposed in the Northern Territory has adversely affected tourist numbers.

While these sort of new taxes are something for Mr Howard's second term, the continued strong growth by the service industry, as highlighted by yesterday's national accounts, means he should start laying the groundwork for tax reform sooner rather than later.

Australia: Beazley Elected as New Opposition Leader

BK1903082096 Melbourne Radio Australia in English 0500 GMT 19 Mar 96

[FBIS Transcribed Text] The opposition Australian Labor Party [ALP] has elected unopposed the former deputy prime minister and finance minister, Kim Beazley, as its new leader. The deputy opposition leader is the former foreign affairs minister, Gareth Evans. As Stuart Heather reports:

[Begin Heather recording] Mr. Evans beat the other contender, the former employment and education minister, Simon Crean, by a narrow margin. A spokesman for the 79 politicians comprising the Labor Party caucus said the contest for the deputy leadership has been amicable. The causus meeting approved the composition of the opposition's front bench proposed by agreement among the factions and Mr. Beazley would allocate their portfolios later this week.

Other appointments agreed at the meeting were John Faulkner as the opposition's leader in the Senate, Nick Sherry as his deputy, and the 23 members who will form Labor's parliamentary executive.

The former prime minister, Paul Keating, spoke to his colleagues, but did not give any indications of his plans for the future. Mr. Keating is now an opposition back bencher as is expected he will shortly announce his retirement from federal politics. Mr. Keating led the Labor Party to a humiliating loss of government in the Australian elections earlier this month. [end recording]

New Zealand

New Zealand: Imports of British Cattle, Related Products Suspended

BK2203112796 Hong Kong AFP in English
1011 GMT 22 Mar 96

[FBIS Transcribed Text] Wellington, March 22 (AFP) — New Zealand on Friday suspended all imports of foods and other products for human consumption containing material from British cattle as a precaution against mad cow disease.

Ministry of Agriculture chief veterinary officer Barry O'Neil said it was a precautionary move while the risk to humans was assessed.

However, the Ministry of Health later said the ban was not based on concern for human health, but for animal health.

Agriculture Minister Lockwood Smith said in a statement there were no conclusive links between bovine spongiform encephalopathy (BSE) in cattle and a similar, fatal disease in humans, creutzfeldt jakob disease (CJD).

The mad cow disease scare has spread since the British Government admitted there was a possible link between bovine spongiform encephalopathy or mad cow disease, and CJD.

O'Neil said only a small volume of imports, in a limited range of foods, would be blocked.

Imports containing material from British cattle include cooked and canned meat products, cooked meat products packed in glass, foil, tins, or plastic, gelatine which may be made out of cattle hides, collagen casings (similar to gelatine), intestinal casings, meat pastes, lard, sausage rolls, and meat imported for use on airline flights.

Other products include ox gall, cat and dog biscuits and sausages, and cooked pet food in cans, glass or plastic.

"We believe that even though the import of these materials is very small and very few products are affected, we believe that it is appropriate to suspend the imports of these products until we are able to assess the information further that is being presented in the United Kingdom," he said.

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